

# Earnings Release

## 3Q23

October 2023



## Webcast

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**November 1, 2023**

(in Portuguese with simultaneous translation into English)

11:00 a.m. (Brasília) | 10:00 a.m. (New York) | 3:00 p.m. (London)

[Click here](#) to access the webcast.

Presentation available at: [ri.aurenenergia.com.br](https://ri.aurenenergia.com.br)

## Investor Relations

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Mario Bertoncini (VP of Finance and IRO)

Mariana Mayumi

Tamires Parini

Larissa Siqueira

Carolina Avila

Daniely Bonfim

[ri@aurenenergia.com.br](mailto:ri@aurenenergia.com.br)

[ri.aurenenergia.com.br](https://ri.aurenenergia.com.br)

On September 29, 2023:

- **AURE3:** R\$13.73
- **Market Cap:** R\$13.7 bilhões



## Summary

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## Highlights 3Q23 and 9M23

R\$ million	3Q23	3Q22	Var.	9M23	9M22 <sup>(a)</sup>	Var.
<b>Net Revenue</b>	<b>1,626.6</b>	<b>1,538.9</b>	<b>5.7%</b>	<b>4,478.2</b>	<b>4,269.7</b>	<b>4.9%</b>
EBITDA	350.1	503.2	-30.4%	1,259.9	1,104.0	14.1%
<b>Adjusted EBITDA<sup>(b)</sup></b>	<b>453.2</b>	<b>309.6</b>	<b>46.4%</b>	<b>1,285.4</b>	<b>1,101.7</b>	<b>16.7%</b>
<i>Adjusted EBITDA Margin</i>	<i>27.9%</i>	<i>20.1%</i>	<i>7.7 p.p.</i>	<i>28.7%</i>	<i>25.8%</i>	<i>2.9 p.p.</i>
Hydroelectric	260.3	254.8	2.1%	734.9	905.5	-18.8%
Wind	173.3	104.9	65.3%	463.9	288.4	60.8%
Trading	55.7	(11.1)	N.M.	198.1	7.8	2,453.1%
Holding	(36.0)	(39.0)	-7.5%	(111.5)	(100.0)	11.5%
<b>Net Profit</b>	<b>(838.1)</b>	<b>230.1</b>	<b>N.M.</b>	<b>(425.3)</b>	<b>222.6</b>	<b>N.M.</b>
<b>Operational Cash Flow<sup>(c)</sup></b>	<b>(48.5)</b>	<b>335.6</b>	<b>N.M.</b>	<b>734.1</b>	<b>1,022.6</b>	<b>-28.2%</b>
<b>Free Cash Flow</b>	<b>(1,380.6)</b>	<b>(366.7)</b>	<b>276.5%</b>	<b>1,673.4</b>	<b>1,228.1</b>	<b>36.3%</b>
<b>Net Debt<sup>(d)</sup></b>	<b>1,308.1</b>	<b>2,828.6</b>	<b>-53.8%</b>	<b>1,308.1</b>	<b>2,828.6</b>	<b>-53.8%</b>
<b>Leverage<sup>(e)</sup></b>	<b>0.7x</b>	<b>2.0x</b>	<b>-1.3x</b>	<b>0.7x</b>	<b>2.0x</b>	<b>-1.3x</b>

<sup>(a)</sup> ) 1Q22 financial performance reflects Auren's unaudited proforma consolidated result prepared to reflect the effects of the corporate reorganization finalized on March 28, 2022. As of 2Q22, the figures presented reflect the Company's corporate structure;

<sup>(b)</sup> EBITDA adjusted for: (i) provision or reversal of litigation and judicial deposits; (ii) provision or reversal of impairment; (iii) dividends received from investees whose results are not consolidated by the Company; (iv) mark-to-market result of energy contracts; and (iv) other non-recurring events;

<sup>(c)</sup> Operating Cash Flow, after debt service;

<sup>(d)</sup> Gross Debt deducted from cash and cash equivalents and short-term investments, incorporating the fair value of derivatives (assets and liabilities) and leases in accordance with CPC06/IFRS 16 - Leases;


<sup>(e)</sup> Net Debt / Adjusted EBITDA for the last 12 months.

- **Increase of 17.7% in hydroelectric generation** compared to 3Q22, due to better water availability in the period, consistent with the 19.7% increase in 9M23 compared to the same period in 2022;
- **Consolidated wind generation of 13.9% higher than 3Q22**, due to the new operation of the Ventos do Piauí II and III wind complexes. On a comparable asset basis, there was a 10.2% reduction in generation in the period, due to the lower wind resource observed in the historical series starting in 2011;
- **Adjusted EBITDA of R\$453.2 million in 3Q23**, an **increase of 46.4% in relation to 3Q22**, with an expansion of 7.7 p.p. in the Adjusted EBITDA margin, due to the temporal mismatch between the receipt of dividends from invested companies<sup>1</sup> and the best result in the Trading segment;
- **Accounting effect** of the recognition of **IR/CSLL<sup>2</sup>** and **PIS/COFINS<sup>3</sup>** on the update of the **gain related to the indemnification of HPP Três Irmãos**, which resulted in an accounting expense of R\$1,037 million in this quarter, of which R\$334 million was offset with tax credits. The effective cash disbursement with IR/CSLL totaled R\$578 million in 3Q23;

1 In 3Q23, R\$64.8 million in dividends were received from the indirect shareholdings held by Auren in the companies Pinheiro Machado and CBA Energia, characterizing a temporal discrepancy in relation to 3Q22, when dividends were received from the investees of R\$15.7 million.

2 Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL").

3 Social Integration Program ("PIS") and Contribution for Social Security Financing ("Cofins").

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- **Progress, as planned,** on the construction of the **Sol de Jaíba** and **Sol do Piauí** solar projects, the last one scheduled for completion in 4Q23, resulting in a project **CAPEX disbursement of R\$654.4 million** in 3Q23;
  - **Leverage of 0.7x in 3Q23**, measured by the Net Debt/Adjusted EBITDA ratio, and maintenance of a **solid cash position** of R\$4.9 billion.



## Management Message

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The third quarter of 2023 represented another period of progress and solid results for Auren, ensuring the continuity of our growth strategy with discipline and preservation of the capital structure.

This was another period of good hydrological conditions. The reservoirs of the National Interconnected System (SIN, in Portuguese) continued to show higher levels than those observed in previous years.

In this quarter, despite the system's good supply condition, situations such as the maintenance of the Angra III thermoelectric plant and the increase in consumption caused by high temperatures, resulting from the El Niño phenomenon, resulted in the detachment of the short-term price (from the Portuguese PLD - Price of Settlement of Differences) of the regulatory floor on some days in September. As a result, 3Q23 recorded an average price of R\$72.73/MWh, above the minimum regulatory level of R\$69.04, which has not occurred since September 2022.

Due to the hydrological scenario mentioned, energy production at HPP Porto Primavera increased by 17.7% compared to 3Q22 and 19.7% in the first nine months of the year. In the Wind Generation segment, we observed a 13.9% growth in production compared to 3Q22, mainly explained by the entry into operation of the Ventos do Piauí II and III wind complexes, which had generation exceeding P90 by 13.8% and 12.1%, respectively. Considering the same asset base in operation in both periods, energy production decreased, due to lower wind resources, especially in August. We highlight that the third quarter of 2023 presented the lowest average wind speed recorded since 2011.

Still in relation to wind generation, we highlight that Auren's performance was little impacted by the systemic failure event that occurred in August, when energy supply to most Brazilian states was interrupted.

In the Trading segment, we continue with our strategy of maintaining high contracting levels for the next 3 years, mitigating the risk of exposure to falling energy prices, due to a favorable hydrological scenario and, consequently, improved conditions of SIN energy supply. For another quarter, Auren positioned itself as a leader in the energy trading market, with the highest volume of sales with supply in the Free Contracting Environment (ACL, in Portuguese). Furthermore, we continued to expand our end consumer base, reaching more than 800 customers at the end of June.

We continue to advance in the execution of the Sol de Jaíba solar project and our hybrid project, Sol do Piauí. The latter is in an advanced phase of implementation, with commercial operations expected to begin in 4Q23, as planned. A Project implementation is part of Auren's energy portfolio diversification and expansion strategy. Together, Sol



de Jaíba and Sol do PiauÍ will add 548 MWac to installed capacity and 167 average MW to the Company's physical guarantee.

Regarding our financial performance, we ended the quarter with growth of 46.4% in the Company's Adjusted EBITDA, which totaled R\$453.2 million, driven by the Wind Generation and Trading segments.

In this quarter, we had an accounting effect from the recognition of taxation on the update of the gain relating to the indemnification of HPP Três Irmãos, which had a negative effect on the Company's net result. Even so, we continue to have a solid capital structure, with a robust cash position of R\$4.9 billion and financial leverage, measured by the Net Debt/Adjusted EBITDA ratio, of 0.7x.

In August, we were listed in the first portfolio of the B3 Diversity Index (IDIVERSA B3), created by B3 – Brasil, Bolsa, Balcão. This is another important recognition in our trajectory, which confirms the presence of diversity in our culture, in our operations and in our way of doing business, positioning us as one of the 75 Brazilian companies that differentiates itself in terms of diversity and inclusion.

We also achieved the Gold Seal of the Brazilian GHG Protocol Program, the highest level of qualification granted to organizations that fully inventory their GHG (Greenhouse Gas) emissions. Once again, we demonstrate our commitment and contribution to tackling problems related to climate change and reinforcing our positioning as an electrical energy company with a 100% clean and renewable matrix.

In this way, we cultivate our commitment to acting responsibly, enhancing our positive impact. Our financial discipline keeps us prepared for new opportunities for organic and inorganic growth, making Auren an even more robust, financially solid company that generates value for our stakeholders and the ecosystem in which we operate.

**Fabio Zanfelize**

Chief Executive Officer

**Mario Bertoncini**

VP of Finance and Investor Relations

Officer



## 1. Operational Performance

In September 2023, Auren operational installed capacity totaled 3,039 MW. Of this total, 2,057 MW corresponds to hydroelectric power, including 517 MW in assets in which the company has a significant minority stake, and 982 MW corresponds to wind power, considering the increase of 9.3 MW in the Ventos do Piauí II and III wind power complexes, due to the revision of the nominal power of the wind turbines from 4.4 MW to 4.5 MW, representing an increase of 2.3%, which occurred on August 21, 2023.

### 1.1 Hydroelectric generation

The company holds a full stake in Porto Primavera HPP and a minority stake in seven other hydroelectric assets - Machadinho HPP, Campos Novos HPP, Barra Grande HPP, Amador Aguiar I and II HPP, Igarapava HPP and Picada HPP.

Due to greater hydro availability in the period, energy production at Porto Primavera HPP reached 900.9 MW average in 3Q23, 17.7% higher than in 3Q22 (765.1 MW average) and consistent with the figure for the first nine months of the year (902.2 MW average), which represents an increase of 19.7% compared to the same period in 2022.<sup>7</sup>

**Table 01 - Production of hydroelectric assets in which the Company has a 100% stake**

	Installed Capacity (MW)	Physical Guarantee (MWavg)	Energy Generation (MWavg)					
			3Q23	3Q22	Var. (%)	9M23	9M22	Var. (%)
HPP Porto Primavera	1,540.0	886.8	900.9	765.1	17.7%	902.2	753.6	19.7%

**Table 02 - Evolution of the outflow from the Porto Primavera HPP**

Average Flows (m³/s)	3Q23	3Q22	Var. (%)	9M23	9M22	Var. (%)
Turbine Flow <sup>4</sup>	5,052	4,212	19.9%	5,230	4,158	25.8%
Pouring Flow <sup>5</sup>	5	4	25.0%	1,383	4	N.M.
Total Outflow <sup>6</sup>	5,057	4,216	19.9%	6,613	4,162	58.9%

In 3Q23, the inflow to the reservoirs of the National Interconnected System (SIN), particularly in the Southeast/Central-West subsystem, was 19.9 p.p. higher than in 3Q22. The accumulated figure for the first nine months of 2023 is close to the historical average (98%) and 21 p.p. higher than the figure for the same period in 2022, as shown in Table 03.

<sup>4</sup> Turbine flow: the flow that passes through the plant's turbines, generating electricity;

<sup>5</sup> Pouring Flow: flow that passes through the hydroelectric plant's overflows without generating energy, including the flow from the fish ladder;

<sup>6</sup> Total Outflow: the total flow that passes through the plant, being the sum of the turbine flow and the outflow.

**Table 03 - Evolution of the Affluent Natural Energy (ENA) of the Southeast/Central-West Subsystem**

Period	ENA (MWavg)			ENA (% MLT) <sup>7</sup>		
	2023	2022	Var. (%)	2023	2022	Var. (%)
January	77,841	71,394	9%	119%	108%	10%
February	73,925	76,408	-3%	105%	108%	-3%
March	71,117	52,552	35%	103%	76%	36%
April	55,160	40,557	36%	101%	74%	36%
May	36,569	26,960	36%	92%	67%	37%
June	30,862	24,225	27%	95%	74%	28%
July	22,870	16,810	36%	89%	65%	37%
August	18,510	15,856	17%	90%	77%	17%
September	17,309	16,114	7%	88%	82%	7%
<b>1Q</b>	<b>74,307</b>	<b>66,464</b>	<b>12%</b>	<b>109%</b>	<b>97%</b>	<b>12%</b>
<b>2Q</b>	<b>40,817</b>	<b>30,541</b>	<b>34%</b>	<b>96%</b>	<b>72%</b>	<b>33%</b>
<b>3Q</b>	<b>19,587</b>	<b>16,262</b>	<b>20%</b>	<b>89%</b>	<b>75%</b>	<b>19%</b>
<b>9M</b>	<b>44,703</b>	<b>37,572</b>	<b>19%</b>	<b>98%</b>	<b>81%</b>	<b>21%</b>

The average availability index of the plants operated by Auren remained above the reference values established by the Brazilian Electricity Regulatory Agency (ANEEL), demonstrating the quality of the operation and maintenance of the assets and the adequate management of operational risks. In 3Q23, the average availability index of the Porto Primavera HPP was 96.7%, 0.7 p.p. higher than in 3Q22 (96.0%).

**Table 04 – Availability of plants operated by Auren and reference values adopted by ANEEL**

	Installed Capacity (MW)	Number of Generation Units – UG	UG Unity Capacity (MW)	Verified Availability	ANEEL Reference Values
HPP Porto Primavera	1,540.0	14	110.0	96.7%	92.3%
HPP Picada	50.0	2	25.0	96.0%	94.6%

## 1.2 Wind Power Generation

Electricity production at Auren's wind farms amounted to 615.8 average MW in 3Q23, 13.9% more than in 3Q22 (540.5 average MW), due to the full start-up of the Ventos do Piauí II and III wind farms. As already mentioned, on August 21, 2023, approval was given to change the unit power of the 93 wind turbines at Ventos do Piauí II and III from 4.4 MW to 4.5 MW, increasing the installed power of these complexes by 9.3 MW and the physical guarantee by 2.0 average MW. In 3Q23, the Ventos do Piauí II and III complexes contributed 267.7 average MW to total wind generation in the period, compared to 152.3 average MW produced in 3Q22, when the farms were in the process of going into commercial operation.

<sup>7</sup> Long-term average (MLT). Information available at [http://www.ons.org.br/Paginas/resultados-da-operacao/historico-da-operacao/energia\\_afluente\\_subsistema.aspx](http://www.ons.org.br/Paginas/resultados-da-operacao/historico-da-operacao/energia_afluente_subsistema.aspx).

**Table 05 – Technical characteristics of wind complexes**

Wind Complex	Installed Capacity (MW)	Number of wind turbines	Manufacturer	Model	Type of Maintenance Contract
Ventos do Araripe III	357.9	156	GE	2X (2.3 and 2.4MW)	Full Scope Agreement
Ventos do Piauí I	205.8	98	Siemens Gamesa	G114 (2.1 MW)	Full Scope Agreement
Ventos do Piauí II	211.5 <sup>8</sup>	47	Vestas	V150 (4.5 MW)	Full Scope Agreement
Ventos do Piauí III	207.0 <sup>9</sup>	46	Vestas	V150 (4.5 MW)	Full Scope Agreement
<b>Total</b>	<b>982.2</b>	<b>347</b>			

Considering the same base of assets in operation as the previous year, Ventos do Araripe III and Ventos dos Piauí I, the variation in generation in this quarter was negative by 10.2%, mainly due to the lower wind resource, especially in August, which was lower than expected. It should be noted that the average wind speed recorded in 3Q23 was the lowest observed in the series starting in 2011.

**Table 06 – Production of the wind complexes**

Wind Complex	Physical Guarantee (MWavg)	Certification (MWavg) Jul- Sep		Power Generation (MWavg)					
		P50	P90	3Q23	3Q22	Var. (%)	9M23	9M22	Var. (%)
Ventos do Araripe III	151.1	256.1	242.0	219.8	244.1	-9.9%	160.1	167.9	-4.7%
Ventos do Piauí I	106.3	146.8	138.9	128.2	143.3	-10.5%	93.1	104.0	-10.5%
Ventos do Piauí II	105.7 <sup>10</sup>	138.7	120.4	137.0	20.9	555.2%	104.2	7.0	1378.9%
Ventos do Piauí III	100.6 <sup>11</sup>	134.9	116.6	130.7	131.4	-0.5%	97.4	52.8	84.7%
<b>Total</b>	<b>463.7</b>	<b>676.5</b>	<b>617.9</b>	<b>615.8</b>	<b>540.5</b>	<b>13.9%</b>	<b>454.8</b>	<b>332.0</b>	<b>37.0%</b>

As shown in Table 07, aggregate generation in 3Q23 was 9.0% lower than certification at the 50th percentile (P50) and 0.3% lower than certification at the 90th percentile (P90), specifically due to lower than expected performance in August, as shown in Graph 01 and detailed in Graph 02. It should be noted that the lower than expected performance is directly related to the wind resource and had a very low impact in relation to the event that occurred on August 15, referring to the systemic failure and consequent interruption of the power supply (blackout) for most of the states of the Federation, nor in the weeks following the event.

Considering the nine months accumulated this year, aggregate generation was 6.9% lower than certification at the 50th percentile (P50) and 2.1% higher than certification at the 90th percentile (P90).

<sup>8</sup> Installed capacity updated on August 21, 2023, after changing the technical characteristics of the wind turbines from 4.4 MW to 4.5 MW.

<sup>9</sup> Installed capacity updated on August 21, 2023, after changing the technical characteristics of the wind turbines from 4.4 MW to 4.5 MW.

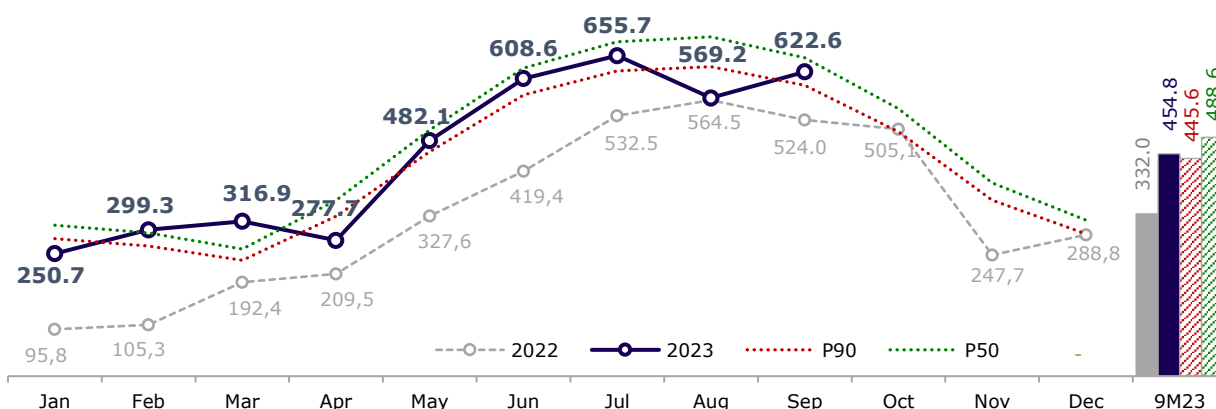
<sup>10</sup> Physical guarantee updated on September 18, 2023, after changing the technical characteristics of the wind turbines from 4.4 MW to 4.5 MW.

<sup>11</sup> Physical guarantee updated on September 18, 2023, after changing the technical characteristics of the wind turbines from 4.4 MW to 4.5 MW.

**Table 07 - Production performance of wind farms in relation to certification**

Wind Complex	Physical Guarantee (MWavg)	Certification (MWavg)				Power Generation (MWavg)		Variation (%)			
		Jul – Sep		Jan - Sep				3Q23		9M23	
		P50	P90	P50	P90	3Q23	9M23	P50	P90	P50	P90
Ventos do Araripe III	151.1	256.1	242.0	178.4	168.5	219.8	160.1	-14.2%	-9.2%	-10,3%	-5,0%
Ventos do Piauí I	106.3	146.8	138.9	103.5	97.9	128.2	93.1	-12.7%	-7.7%	-10,1%	-5,0%
Ventos do Piauí II	105.7 <sup>12</sup>	138.7	120.4	105.5	91.6	137.0	104.2	-1.2%	13.8%	-1,2%	13,8%
Ventos do Piauí III	100.6 <sup>13</sup>	134.9	116.6	101.3	87.6	130.7	97.4	-3.1%	12.1%	-3,8%	11,0%
Total	463.7	676.5	617.9	488.6	445.6	615.8	454.8	-9.0%	-0,3%	-6,9%	2,1%

**Graph 01 - Wind farms: Energy generation and certified values for the 50th percentile (P50) and 90th percentile (P90) (MW MWavg)**



Evaluating the aggregate results of the wind assets in terms of the project's technical parameters, the wind resource in 3Q23 was 9.1% below the long-term average for the 20-year horizon (estimated energy production horizon based on the P50), and it should be noted that the average wind speed recorded in 3Q23 was the lowest in the historical series that began in 2011.

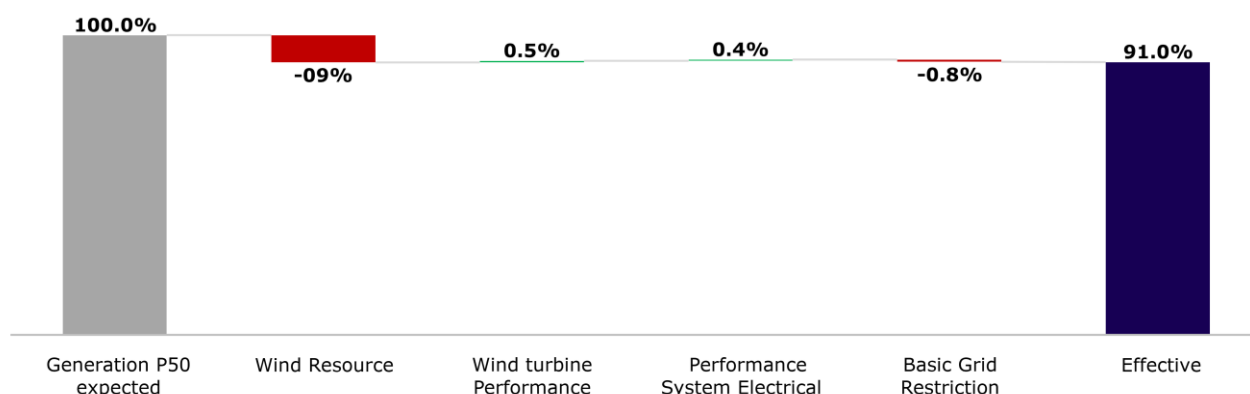
In turn, wind turbines performed 0.5% above expectations, as did the performance of the electricity system<sup>14</sup> (+0.4%). The reduction in production caused by generation restrictions (curtailment) accounted for 0.8%, of which 0.2% was due to the blackout on August 15, 2023. After the SIN blackout, there were no significant increases in generation restrictions at Auren's wind complexes.

<sup>12</sup> Physical Guarantee updated on September 18, 2023, after changing the technical characteristics of the wind turbines from 4.4 MW to 4.5 MW.

<sup>13</sup> Physical Guarantee updated on September 18, 2023, after changing the technical characteristics of the wind turbines from 4.4 MW to 4.5 MW.

<sup>14</sup> The electrical system refers to the internal system made up of the medium-voltage network (34.5kV), the collector substation (34.5/230kV) and the transmission line to the disconnector substation (230/500kV).

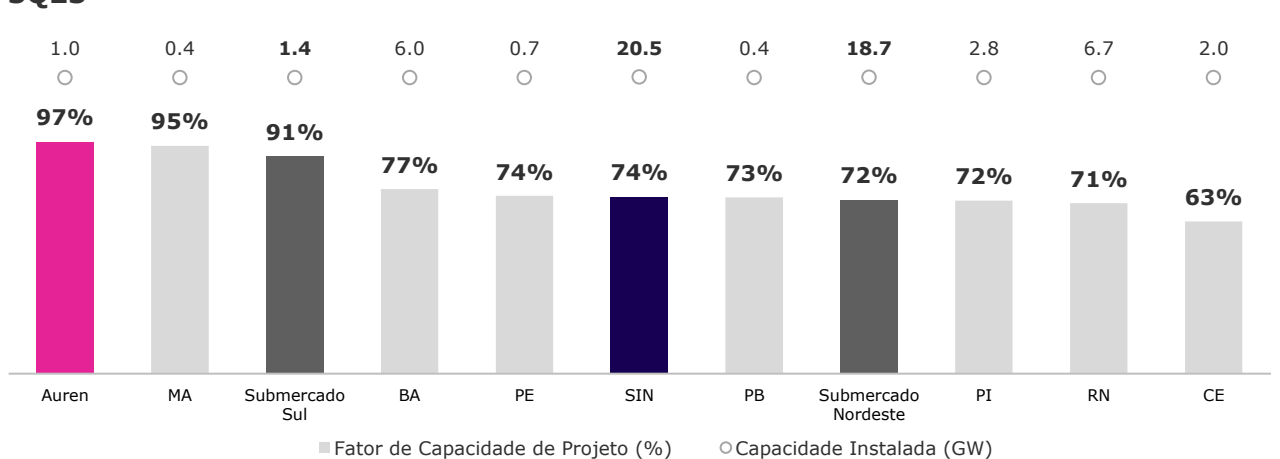
**Chart 02 – Performance of wind farms in 3Q23 compared to the technical parameters of the project, with average expected generation of P50 (100 basis)**



As a result of the historically low performance seen in August, the company's technical areas carried out a comprehensive assessment, with the aim of identifying the behavior of the wind resource on the sector's performance by state and by submarket, analyzing the relationship between generation and its respective seasonal physical guarantee as a proxy for the wind farms' capacity factor. In this way, it is possible to compare the performance of the various wind farms in relation to long-term generation expectations.

When comparing the relationship between generation and the physical guarantee of the Company's assets to the results aggregated by states and submarkets, it can be concluded that Auren's wind farms, located between the states of Piauí and Pernambuco, performed better, even though they did not reach the expected generation targets in P90 and P50.

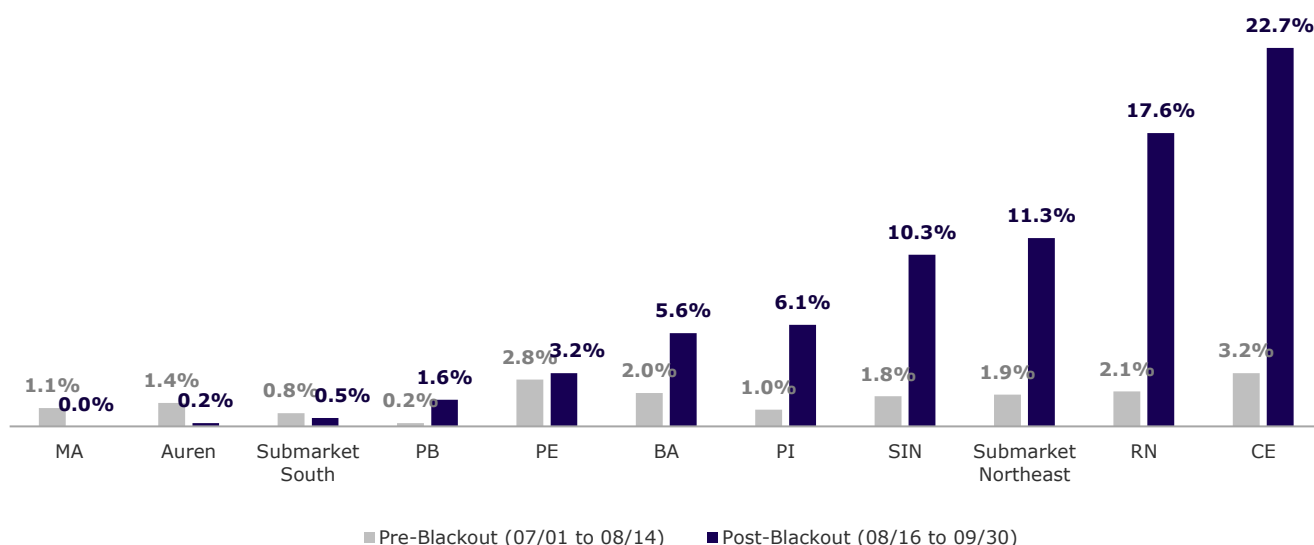
**Graph 03 - Performance Factor (Generation/Seasonalized<sup>15</sup> Physical Guarantee) in 3Q23**



<sup>15</sup> It considers the physical guarantee seasonalized by the agents' historical generation profile. PROINFA plants and projects under construction were not considered in the analysis.

After the blackout event, there was a change in the pattern of operation and dispatch of generation, with an increase in hydroelectric production in the basins of the South and Southeast and a reduction in the production of wind assets in the Northeast. In order to assess the impact of this event on the Company, the depth of the generation restriction on wind assets was assessed, in percentage terms, as shown in Graph 04.

**Chart 04 - Comparison between the restrictions imposed on AUREN in relation to the other states in the North/Northeast**



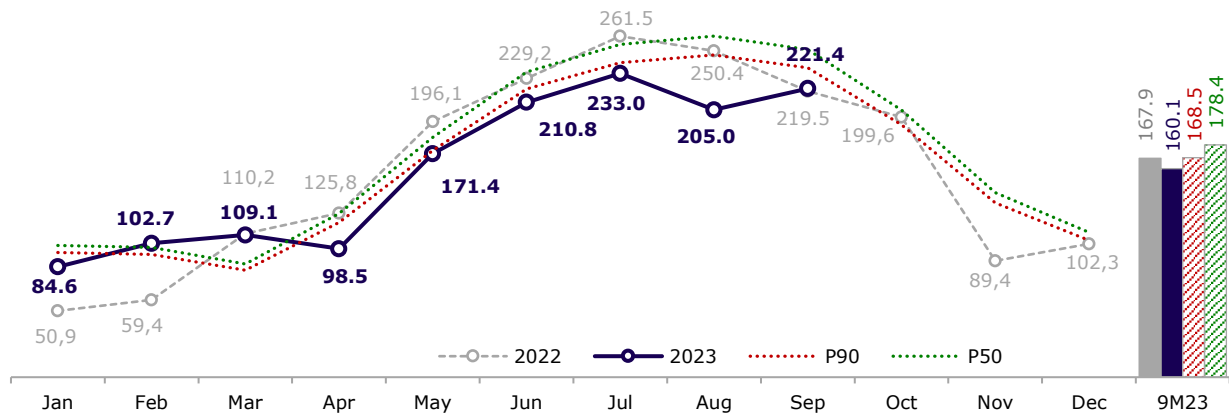
## Ventos do Araripe III

In 3Q23, Ventos do Araripe III generated 219.8 average MW, 9.9% less than in 3Q22. In relation to expected generation at the 90th percentile (P90), production was 9.2% lower and in relation to expected average generation (P50), it was 14.2% lower, due to the lower than expected wind resource for the period.

**Table 08 - Production of the Ventos do Araripe III wind complex**

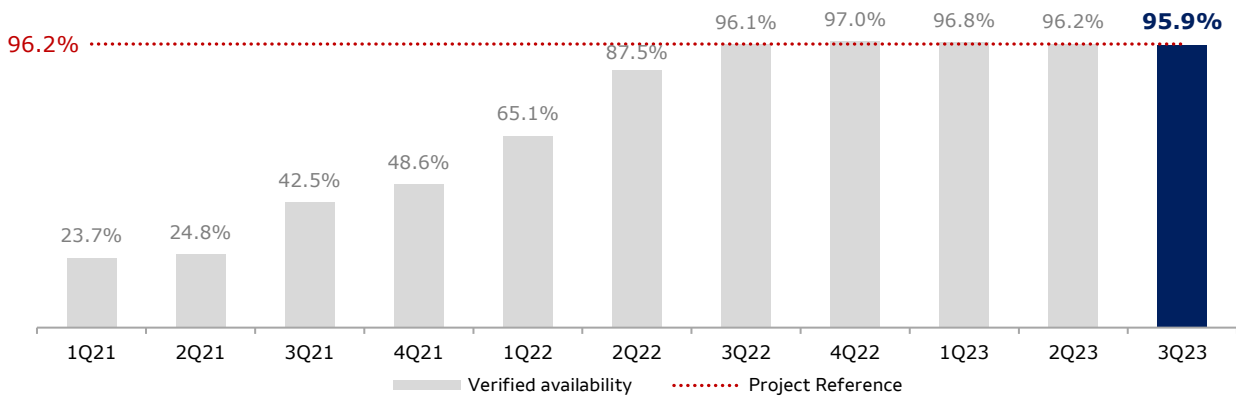
Period	Generation (MWavg)	Expected Generation (P90) (MWavg)	Var. (P90)	Expected Generation (P50) (MWavg)	Var. (P50)
1Q22	73.9	90.4	-18.2%	95.7	-22.8%
1Q23	98.7		9.1%		3.1%
2Q22	183.8	171.3	7.3%	181.3	1.4%
2Q23	160.4		-6.4%		-11.5%
3Q22	244.1	242.0	0.9%	256.1	-4.7%
3Q23	219.8		-9.2%		-14.2%
9M22	167.9	168.5	-0.4%	178.4	-5.9%
9M23	160.1		-5.0%		-10.3%

**Chart 05 - Ventos do Araripe III: Power generation and certified values for the 50th Percentile (P50) and 90th Percentile (P90) (MWavg)**



The average time availability index of the complex reached 95.9% in 3Q23, a reduction of 0.2 p.p. compared to the availability recorded in 3Q22 (96.1%), performing below the project benchmark due to maintenance on large components of the wind turbines.

**Chart 06 – Ventos do Araripe III: Average Time Availability (%)**



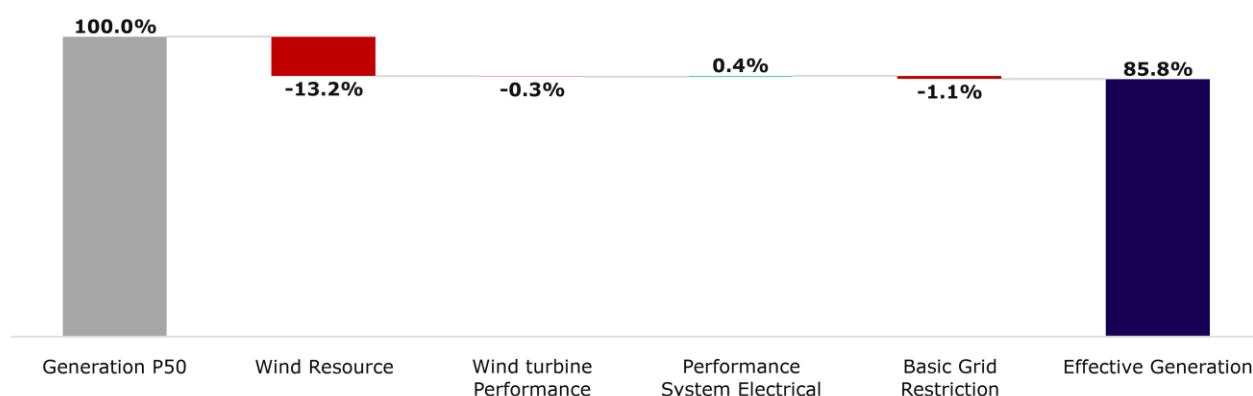
In 3Q23, the average wind speed was 9.1 m/s, down from 9.6 m/s in 3Q22.

**Chart 07 – Ventos do Ararape III: Monthly Average Wind Speed (m/s)**



Evaluating the results in terms of the project's technical parameters, the wind resource in 3Q23 was 13.2% below the long-term average for the 20-year horizon (estimated energy production horizon based on P50). The availability of wind turbines was 0.3% below the benchmark, due to maintenance of major components. The performance of the electricity system<sup>16</sup> was 0.4% higher than expected. However, limitations on the flow of production due to restrictions at the Basic Grid sectioning substation (CNP-II) and other generation restrictions, impacted the result for this quarter by 1.1%, 0.4% of which can be compensated via reimbursement.

**Chart 08 – Ventos do Piauí III: Performance of the wind farm in 3Q23 compared to the technical parameters of the project, with average expected generation of P50 (100 basis)**



## Ventos do Piauí I

In 3Q23, generation from Ventos do Piauí I amounted to 128.2 average MW, 10.5% less than in 3Q22 (143.3 MW). In relation to expected generation at the 90th percentile

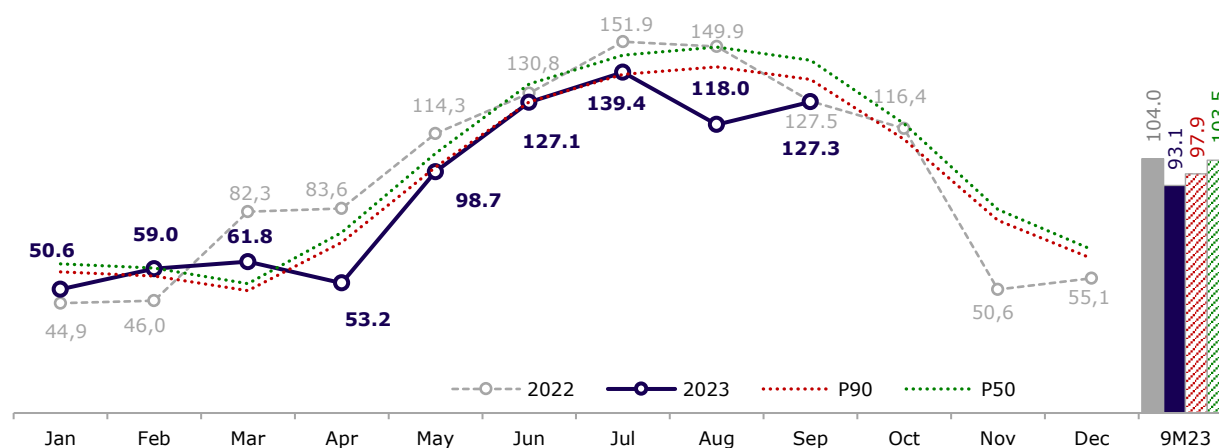
<sup>16</sup> The electrical system refers to the internal system made up of the medium-voltage network (34.5kV), the collector substation (34.5/230kV) and the transmission line to the disconnector substation (230/500kV).

(P90), production was 7.7% lower and in relation to expected average generation (P50), it was 12.7% lower, due to the lower than expected wind resource for the period.

**Table 09 – Generation by the Ventos do Piauí I wind complex**

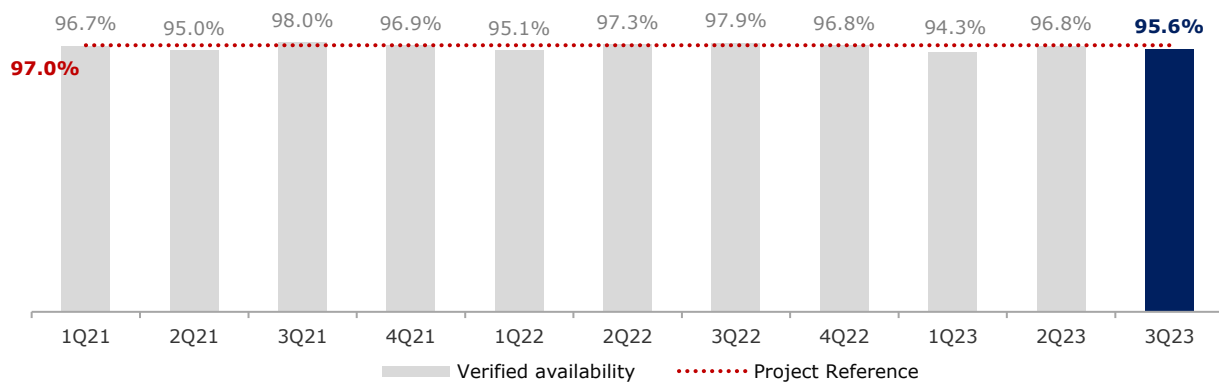
Period	Generation (MWavg)	Expected Generation (P90) (MWavg)	Var. (P90)	Expected Generation (P50) (MWavg)	Var. (P50)
1Q22	58.1	54.6	6.5%	57.7	0.8%
1Q23	57.1		4.6%		-1.0%
2Q22	109.6	99.2	10.5%	104.9	4.5%
2Q23	93.1		-6.1%		-11.2%
3Q22	143.3	138.9	3.2%	146.8	-2.4%
3Q23	128.2		-7.7%		-12.7%
9M22	104.0	97.9	6.2%	103.5	0.5%
9M23	93.1		-5.0%		-10.1%

**Chart 09 – Ventos do Piauí I: Power generation and certified values for the 50th Percentile (P50) and 90th Percentile (P90) (MWavg)**



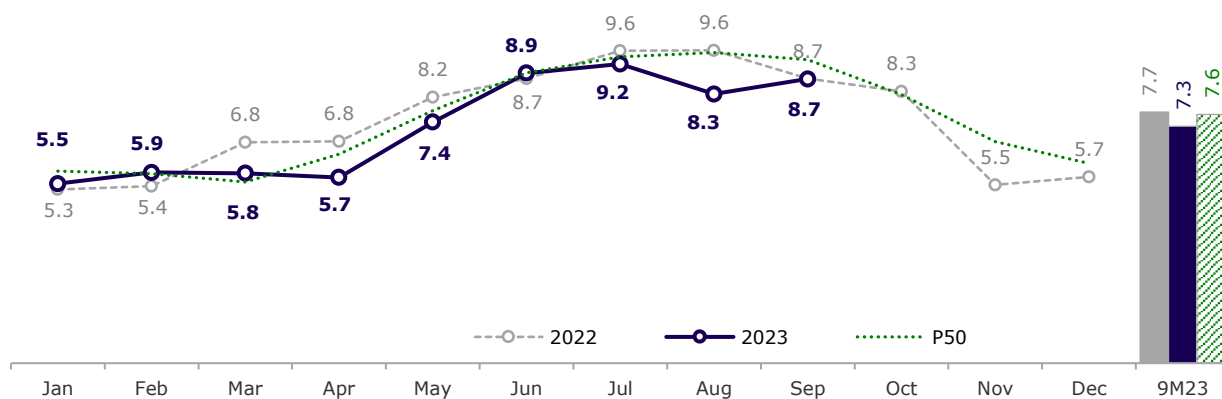
The average time availability index for the Ventos do Piauí I complex reached 95.6% in 3Q23, below the project benchmark of 97.0%, due to the implementation works for the Sol do Piauí hybrid project and scheduled maintenance on large components of the wind turbines, which were completed at the end of the quarter.

**Chart 10 - Ventos do Piauí I: Average Time Availability (%)**



In 3Q23, the average wind speed was 8.7 m/s, down from 9.3 m/s in 3Q22.

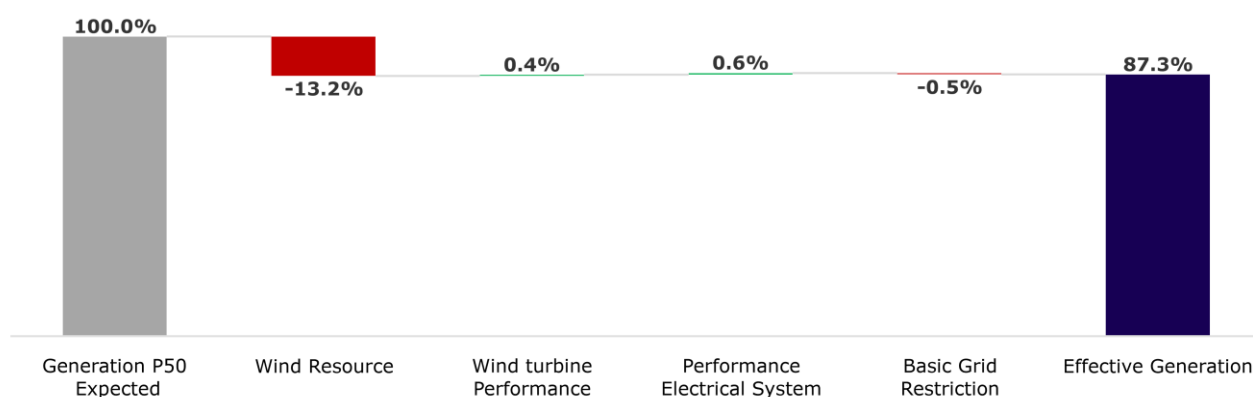
**Chart 11 - Ventos do Piauí I: Monthly Average Wind Speed (m/s)**



Evaluating the results in terms of the project's technical parameters, the wind resource observed in 3Q23 was 13.2% lower than the long-term average for the 20-year horizon (estimated energy production horizon based on the P50). The availability of the wind turbines was 0.4% higher than expected. The performance of the park's electrical system<sup>17</sup> was 0.6% higher than expected. Generation restrictions had a negative impact of 0.5% on this quarter's results, 0.1% of which can be offset.

<sup>17</sup> The electrical system refers to the internal system made up of the medium-voltage network (34.5kV), the collector substation (34.5/230kV) and the transmission line to the disconnector substation (230/500kV).

**Chart 12 - Ventos do Piauí I: Performance of the wind farm in 3Q23 compared to the technical parameters of the project, with average expected generation of P50 (100 basis)**



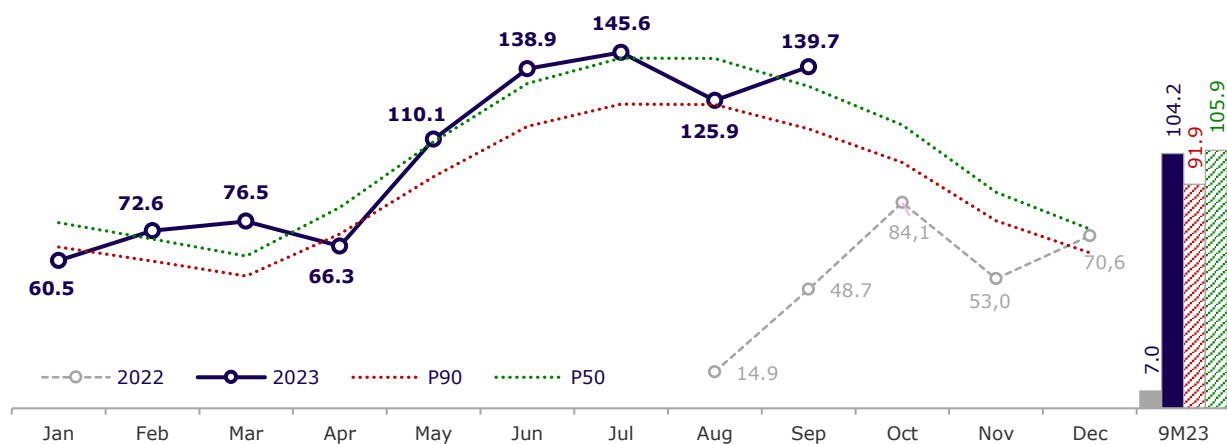
## Ventos do Piauí II

In 3Q23, generation from Ventos do Piauí II amounted to 137.0 average MW. In relation to the expected generation at the 90th percentile (P90), production was 13.2% higher and, in relation to the expected average generation (P50), it was 1.7% lower, due to the lower than expected wind resource for the period.

**Table 10 – Quarterly generation by the Ventos do Piauí II wind complex**

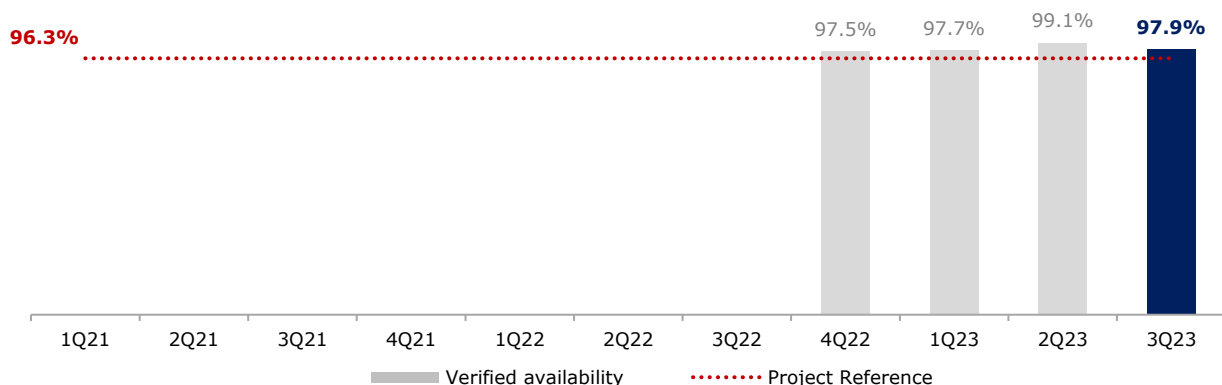
Period	Generation (MWavg)	Expected Generation (P90) (MWavg)	Var. (P90)	Expected Generation (P50) (MWavg)	Var. (P50)
1Q23	69.8	60.1	16.2%	69.1	0.9%
2Q23	105.1	93.8	12.0%	108.0	-2.7%
3Q23	137.0	121.1	13.2%	139.4	-1.7%
9M23	104.2	91.9	13.4%	105.9	-1.5%

**Chart 13 - Ventos do Piauí II: Power generation and certified values for the 50th Percentile (P50) and 90th Percentile (P90) (MWavg)**



The complex's average time availability index reached 97.9% in 3Q23, above the project benchmark.

**Chart 14 - Ventos do Piauí II: Average Time Availability (%)**



In 3Q23, the average wind speed was 10 m/s, in line with the long-term average.

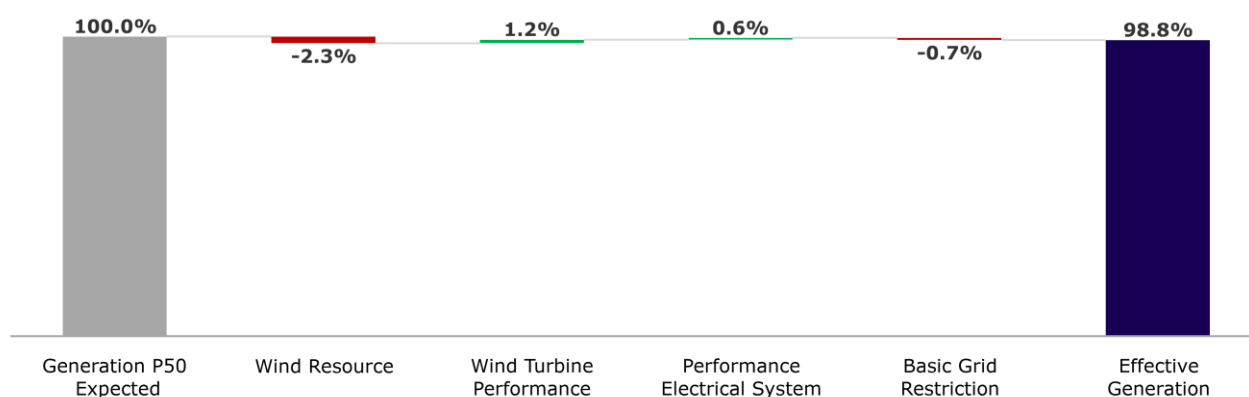
**Chart 15 - Ventos do Piauí II: Monthly Average Wind Speed (m/s)**



Evaluating the results in terms of the project's technical parameters, the wind resource in 3Q23 was 2.3% below the long-term average for the 20-year horizon (estimated energy production horizon based on the P50). The availability of the wind turbines, in turn, was 1.2% higher than expected, while the performance of the park's electricity system<sup>18</sup> was 0.6% higher than expected. Generation restrictions had a negative impact of 0.7% on this quarter's results, 0.1% of which can be offset by compensation.

<sup>18</sup> The electrical system refers to the internal system made up of the medium-voltage network (34.5kV), the collector substation (34.5/230kV) and the transmission line to the disconnector substation (230/500kV).

**Chart 16 - Ventos do Piauí II: Performance of the wind farm in 3Q23 compared to the technical parameters of the project, with average expected generation of P50 (100 basis)**



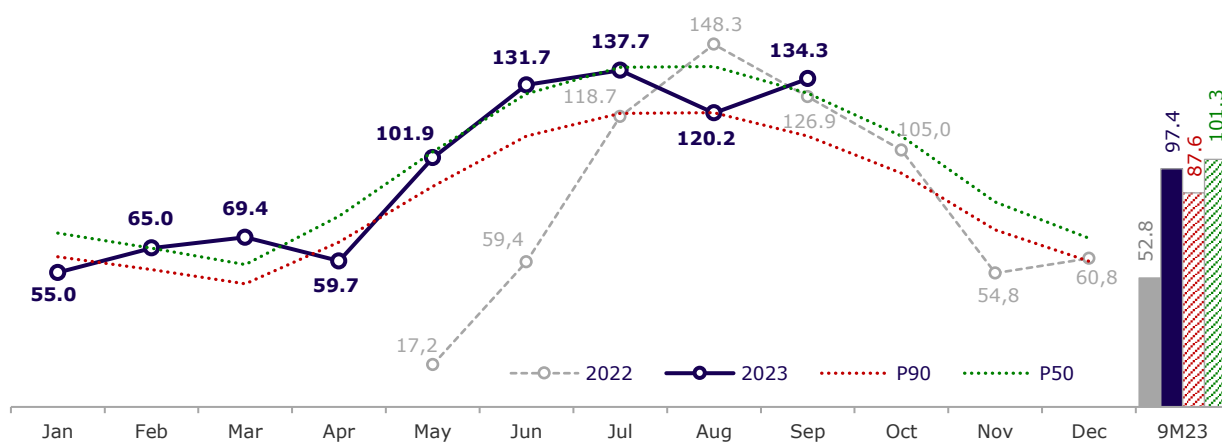
## Ventos do Piauí III

In 3Q23, generation from Ventos do Piauí III amounted to 130.7 average MW. In relation to the expected generation at the 90th percentile (P90), production was 12.9% higher and, in relation to the expected average generation (P50), it was 3.1% lower, due to the lower than expected wind resource for the period.

**Table 11 – Quarterly production of the wind complex Ventos do Piauí III**

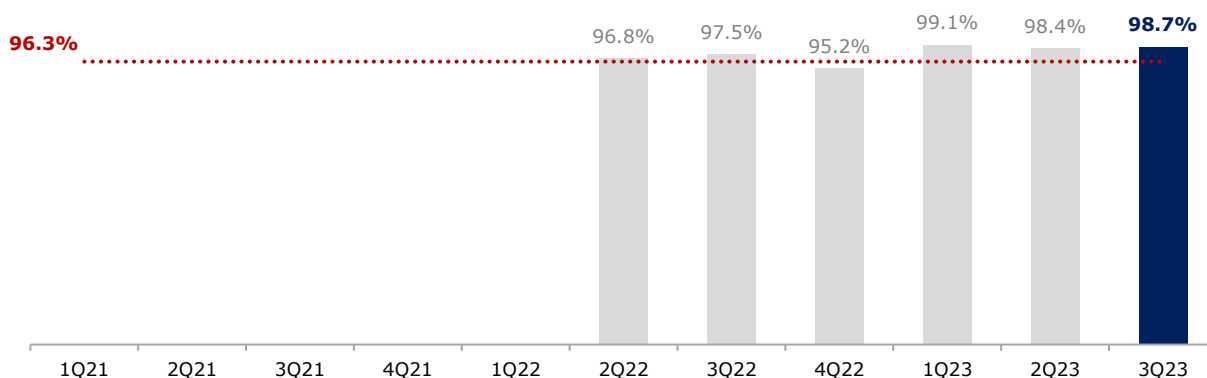
Period	Generation (MWavg)	Expected Generation (P90) (MWavg)	Var. (P90)	Expected Generation (P50) (MWavg)	Var. (P50)
1Q23	63.1	56.0	12.6%	64.7	-2.6%
2Q22	25.4	89.5	-71.6%	103.5	-75.5%
2Q23	97.8		9.3%		-5.5%
3Q22	131.4	116.6	12.7%	134.9	-2.6%
3Q23	130.7		12.9%		-3.1%
9M22	52.8	87.6	-39.8%	101.3	-47.8%
9M23	97.4		11.0%		-3.8%

**Chart 17 - Ventos do Piauí III: Power generation and certified values for the 50th Percentile (P50) and 90th Percentile (P90) (MWavg)**



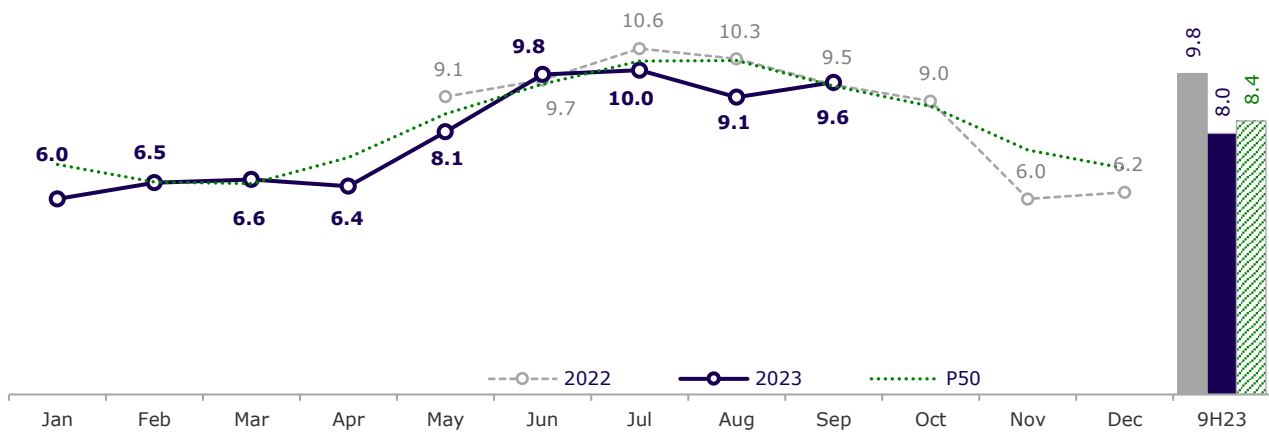
The complex's average time availability index reached 98.7% in 3Q23, remaining above the benchmark for the third consecutive quarter after the park was commissioned.

**Chart 18 - Ventos do Piauí III: Average Time Availability (%)**



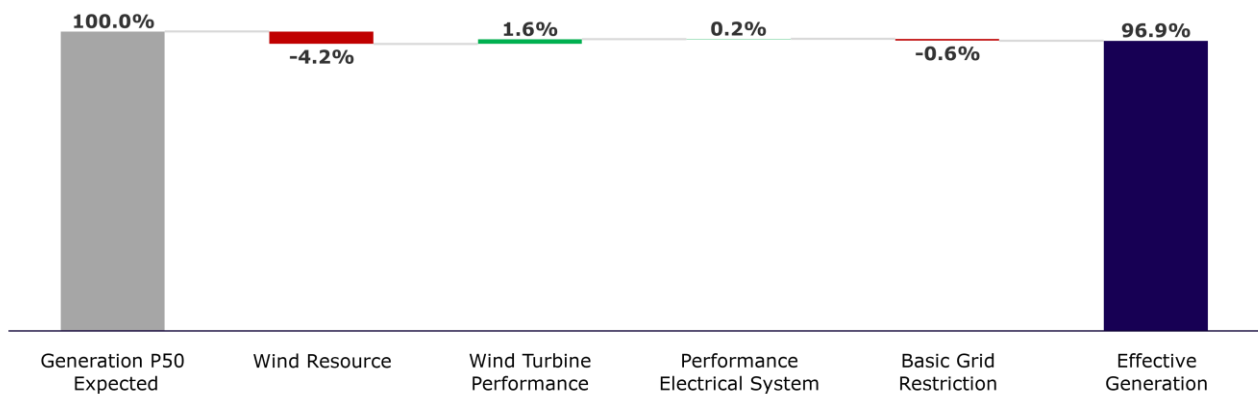
In 3Q23, there was an average wind speed of 9.6 m/s, below the long-term average value of 10 m/s.

**Chart 19 - Ventos do Piauí III: Monthly Average Wind Speed (m/s)**



Evaluating the results in terms of the project's technical parameters, the wind resource in 3Q23 was 4.2% below the long-term average for the 20-year horizon (estimated energy production horizon based on the P50). The availability of the wind turbines, in turn, was 1.6% higher than expected, while the performance of the park's electricity system<sup>19</sup> was 0.2% higher than expected. Generation restrictions had a negative impact of 0.6% on this quarter's results, 0.4% of which can be offset by compensation.

**Chart 20 - Ventos do Piauí III: Performance of the wind farm in 3Q23 compared to the technical parameters of the project, with average expected generation of P50 (base: 100)**



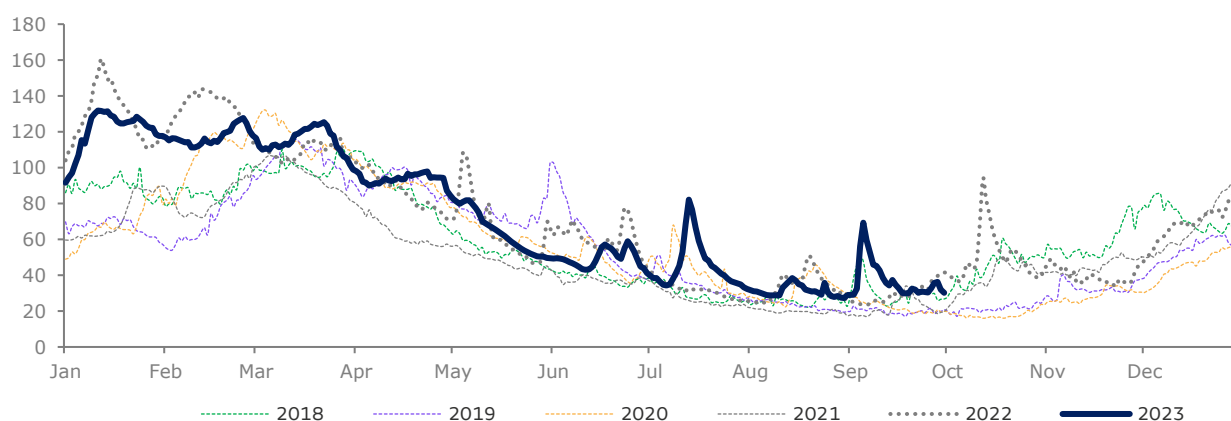
<sup>19</sup> The electrical system refers to the internal system made up of the medium-voltage network (34.5kV), the collector substation (34.5/230kV) and the transmission line to the disconnector substation (230/500kV).

## 2. Commercial Performance

### 2.1 Energy Market

Throughout 3Q23, two events of increase in Influent Natural Energy (ENA) were observed due to the significant volumes of precipitation recorded in the main basins located south of the National Interconnected System (SIN). The ENA in 3Q23 was 95% of the Long Term Average (MLT), versus 79% in 3Q22.

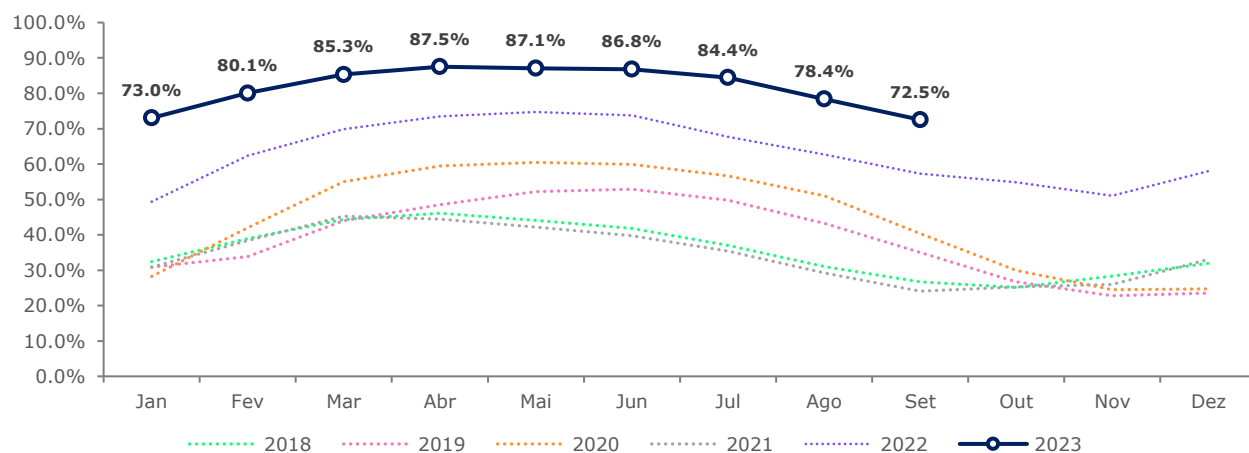
**Chart 21 - Affluent Natural Energy for the National Interconnected System (GWavg)**



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	3Q	9M	Year
2018	86%	76%	85%	87%	67%	64%	63%	67%	82%	102%	114%	94%	70%	81%	85%
2019	64%	61%	89%	92%	98%	100%	76%	62%	53%	51%	65%	72%	65%	79%	77%
2020	66%	91%	99%	92%	84%	82%	91%	86%	59%	44%	59%	64%	80%	85%	80%
2021	69%	71%	82%	64%	63%	63%	57%	53%	60%	89%	89%	96%	57%	67%	72%
2022	125%	113%	93%	86%	86%	103%	70%	90%	81%	116%	80%	96%	79%	98%	98%
2023	117%	101%	98%	94%	85%	85%	99%	84%	101%	-	-	-	95%	98%	-

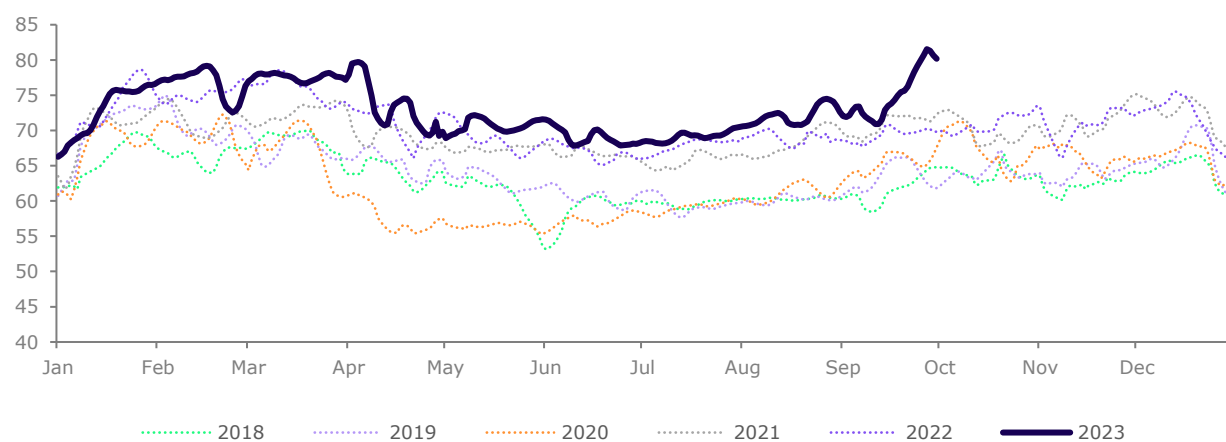
Throughout 3Q23, the levels of the SIN reservoirs remained high compared to previous years. At the end of September, the level of the SIN's equivalent reservoirs reached 72.5% of maximum capacity. This figure represents the highest level ever observed throughout the historical series for the month of September. As a result, energy supply conditions proved to be very favorable for meeting consumption in the period.

**Chart 22 - Level of reservoirs throughout the National Interconnected System (% Maximum Stored Energy)**



From the point of view of energy consumption, there was a significant increase in consumption over the course of 3Q23, especially at the end of September, when the SIN's record<sup>20</sup> instantaneous maximum demand was recorded on 09/26/2023.

**Chart 23 – SIN energy consumption (average GW)<sup>21</sup>**



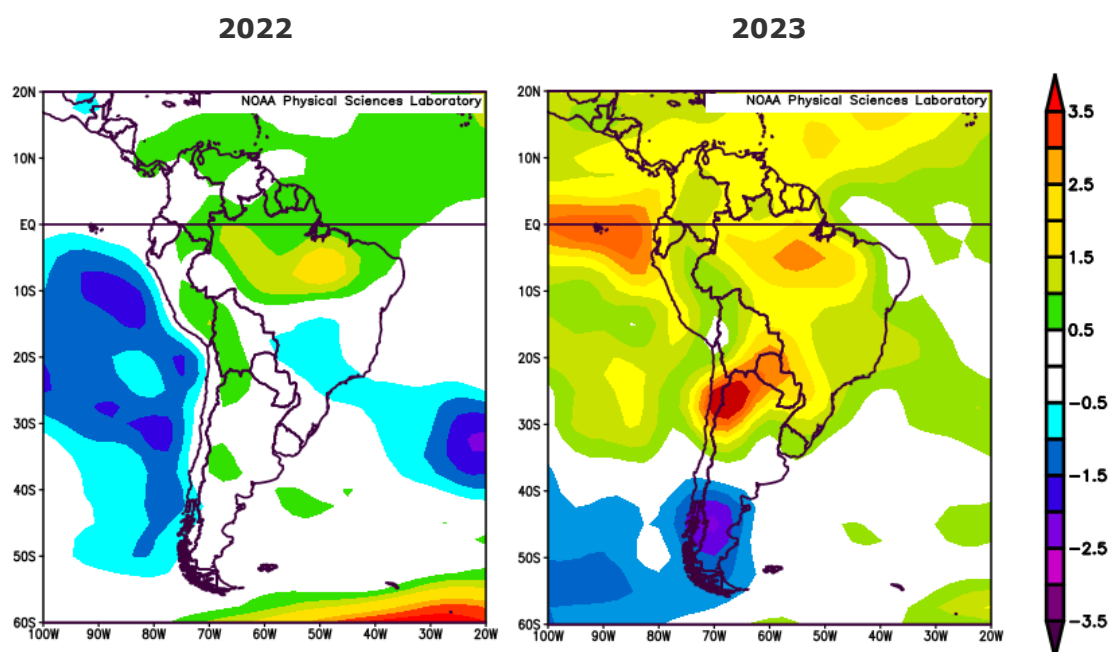
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	3Q	9M	Year
2018	66.4	66.4	68.1	63.8	59.9	59.4	59.5	60.5	61.5	63.8	64.0	65.3	60.5	62.8	63.2
2019	71.2	70.0	66.8	65.6	62.9	60.1	59.5	60.4	63.3	65.4	65.6	65.6	61.0	64.4	64.7
2020	68.6	68.8	66.4	57.3	56.0	57.6	59.5	61.0	66.0	68.1	67.0	68.9	62.1	62.3	63.8
2021	70.6	71.1	73.0	68.8	67.2	66.6	65.8	68.2	71.3	69.5	71.7	71.6	68.4	69.2	69.6
2022	73.3	75.4	76.1	71.0	68.2	66.7	67.7	68.8	69.5	70.9	70.8	71.0	68.7	70.7	70.8
2023	73.6	76.7	77.6	70.2	70.9	68.9	69.0	72.5	75.7	-	-	-	72.4	72.8	-

<sup>20</sup> Available at Daily Bulletin of Information (BDO), ONS.

<sup>21</sup> SIN energy consumption takes into account the estimated consumption met by Distributed Micro and Mini-Generation systems.

The behavior of consumption is a consequence of the increase in temperature, which is characteristic and in line with the atmospheric pattern expected in months under the influence of the El Niño phenomenon. Figure 01 shows a comparison between the air temperature anomalies observed in 3Q23 and 3Q22, showing the occurrence of higher temperatures in relation to the climatological average throughout the country in the quarter.

**Figure 1 – Average air temperature anomaly <sup>22</sup>.(°C) in the 3rd quarter**

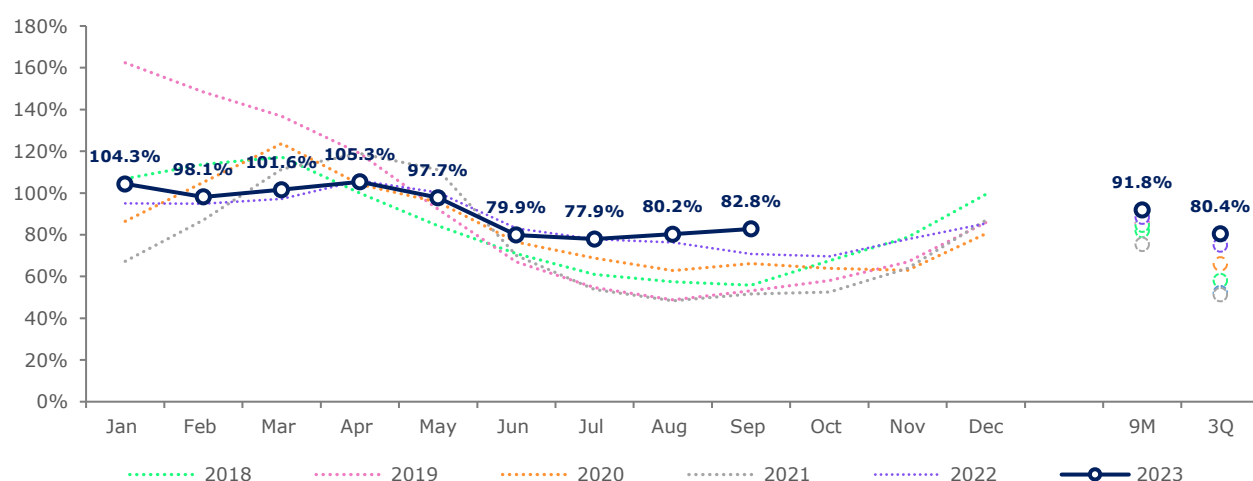


In this scenario, at the end of September the Difference Settlement Price (PLD) of the four submarkets (Southeast/Central-West, South, Northeast and North) presented values higher than the regulatory floor (R\$ 69.04/MWh), a fact that has not been observed since September 2022. Despite the high volumes of energy stored in the system, specific situations such as the maintenance of the Angra II thermoelectric plant and the high requirement to meet demand caused by high temperatures, resulted in an increase in prices between September 26th and 28th during times of heavy load on the system. The average PLD on these days was R\$ 182.33/MWh, versus a PLD of R\$69.04/MWh (regulatory floor) on other days of the month, resulting in an average price of R\$72.73/MWh for 3Q23. In September 2023, the average PLD was R\$80.37/MWh.

With regard to hydroelectric displacement (GSF), according to the Chamber of Electric Energy Trading (CCEE), the average value observed in 3Q23 was 80.3% compared to 74.9% in 3Q22.

<sup>22</sup> Average air temperature anomaly at 2 meters (°C) obtained from the National Centers for Environmental Prediction (NCEP) reanalysis that considers the updated climatology from 1991 to 2020.

**Chart 24 – Hydroelectric displacement (GSF %)**



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	3Q	9M	Year
2018	107%	114%	117%	100%	84%	71%	61%	57%	56%	68%	79%	99%	58%	82%	82%
2019	162%	148%	137%	119%	92%	67%	55%	49%	53%	58%	67%	86%	52%	86%	81%
2020	86%	105%	124%	104%	96%	76%	69%	63%	66%	64%	63%	81%	66%	84%	80%
2021	67%	87%	111%	119%	111%	70%	54%	48%	52%	52%	64%	87%	51%	75%	73%
2022	95%	95%	97%	106%	100%	83%	78%	76%	71%	70%	78%	85%	75%	88%	85%
2023	104%	98%	102%	105%	98%	80%	78%	80%	83%	-	-	-	80%	92%	-

## 2.2 Energy Balance

Auren's portfolio of generation assets in operation is made up of projects with an physical guarantee of 1,597 MW average<sup>23</sup>.

The sale of energy from Auren's generation assets is distributed in contracts signed in the Free Contracting Environment (ACL) and the Regulated Contracting Environment (ACR). Currently, the assets with ACR contracts are the Porto Primavera HPP and the Ventos do Piauí I and Ventos do Araripe III complexes.

All contract prices in the regulated market are adjusted by the Broad National Consumer Price Index (IPCA) on their respective adjustment dates.

Table 12 shows the company's Energy Balance, as well as information on energy sales prices in the Regulated Contracting Environment (ACR) and the Free Contracting Environment (ACL).

<sup>23</sup> Considers Auren's own assets and holdings in hydroelectric assets, excluding HPP Paraibuna.

**Table 12 – Consolidated energy balance of Auren's own assets**

		2023	2024	2025	2026	2027
Physical Guarantee <sup>(1)</sup> of Auren's own assets (a)	(MWavg)	1,266	1,417	1,472	1,472	1,472
Purchases for resale (b)	(MWavg)	2,376	1,498	1,351	1,015	710
Resale Purchase Price <sup>(2)</sup>	(R\$/MWh)	168	199			
<b>Auren's Own Resources (c) = (a) + (b)</b>	(MWavg)	<b>3,642</b>	<b>2,914</b>	<b>2,823</b>	<b>2,487</b>	<b>2,182</b>
<b>ACR Sales (d)</b>	(MWavg)	<b>493</b>	<b>493</b>	<b>493</b>	<b>493</b>	<b>493</b>
<b>ACL Sales (e)</b>	(MWavg)	<b>3,087</b>	<b>2,226</b>	<b>2,065</b>	<b>1,495</b>	<b>921</b>
<b>Auren's Own Requirements (f) = (d) + (e)</b>	(MWavg)	<b>3,580</b>	<b>2,719</b>	<b>2,558</b>	<b>1,988</b>	<b>1,413</b>
Auren's Own Requirements Price <sup>(3)</sup>	(R\$/MWh)	190	209			
<b>Energy Balance (g) = (c) – (f)</b>	(MWavg)	<b>62</b>	<b>195</b>	<b>264</b>	<b>499</b>	<b>769</b>

<sup>(1)</sup> The values consider:

- (i) the physical guarantee of own assets (Porto Primavera HPP and Wind Complexes) net of the MRE adjustment factor (GSF) performed;
- (ii) the amount of 167 average MW referring to the Sol do Piauí and Sol de Jaíba projects, scheduled to start operating throughout 2024;
- (iii) The physical guarantees are net of losses of the basic network (a 3% assumption was adopted);
- (iv) The physical guarantee subject to hydrological risk (GSF) is 630 average MW, due to the renegotiation of the hydrological risk for the amount of 230 average MW traded in the ACR by the Porto Primavera HPP;
- (v) does not consider resources from HPP Paraibuna.

<sup>(2)</sup> The amounts considered are net of PIS, COFINS and R&D;

<sup>(3)</sup> The amounts considered are net of PIS, COFINS and P&D and include all sales in the ACR and ACL.

In relation to 2Q23, there was an increase in exposure of 61 average MW in the year 2024, due to energy purchases at average prices of R\$65.90/MWh, which are part of the strategy of sales with attractive margins to end customers. In addition, net exposure in the long term (after 2026) was reduced by marginally more than 30 average MW annually as a result of sales to end customers.

**Table 13 – Breakdown of energy sales agreements in the regulated environment (ACR)**

ACR Sales (b)	Energy Volume (MWm)	Auction Price (R\$/MWh)	Reference Date	Reajustaded Gross Price (R\$/MWh) <sup>(1)</sup>	Net Price PIS / COFINS / P&D (R\$/MWh)
1st LEN - UHE Porto Primavera	148	116.0	01/12/05	302.7	271.7
2nd LEN - UHE Porto Primavera	82	125.0	01/06/06	321.2	288.3
22th LEN - Ventos do Piauí I	93	190.0	21/08/15	283.0	272.7
20th LEN - Ventos do Araripe III	15	145.0	01/11/14	232.9	224.4
18th LEN - Ventos do Araripe III	103	127.0	01/12/13	215.1	207.2
6th LER - Ventos do Araripe III	52	143.0	01/10/14	227.3	219.0
<b>Average ACR Prices (R\$/MWh)</b>				<b>273.7</b>	<b>254.2</b>

<sup>(1)</sup> Price data-basis: October 1st, 2023.

The amount of the physical energy guarantee of the Porto Primavera HPP contracted in the ACR (230 average MW) is protected against exposure to hydrological risk. In return, the company pays a monthly premium of R\$15.15/MWh, as established by ANEEL Normative Resolution 684/2015.

In January 2023, the competitive procedure for exporting energy to Argentina and Uruguay related to surplus production from hydroelectric plants began. The amount of energy exported by the hydroelectric plants up to the end of September was 4,463 GWh, of which 3,974 GWh in the first half and 489 GWh in the third quarter. Porto Primavera HPP received R\$12.6 million associated with energy exports in 2023, of which R\$10.7 million in the first half and R\$1.9 million in 3Q23.

**Table 14 – Auren’s Consolidated Energy Balance (MWavg)**

Energy (MWavg)	2023	2024	2025	2026	2027
Auren’s Own Resources <sup>(1)</sup>	3,642	2,914	2,823	2,487	2,182
Minority Interest Resources <sup>(2)</sup>	308	320	306	306	278
<b>Total Resources (a)</b>	<b>3,949</b>	<b>3,234</b>	<b>3,129</b>	<b>2,793</b>	<b>2,460</b>
Auren’s Own Requirements	3,580	2,719	2,558	1,988	1,413
Minority Interest Requirements(2)	283	286	283	283	283
<b>Total Requirements (b)</b>	<b>3,863</b>	<b>3,005</b>	<b>2,841</b>	<b>2,271</b>	<b>1,696</b>
<b>Consolidated Energy Balance (c) = (a) – (b)</b>	<b>86</b>	<b>229</b>	<b>288</b>	<b>523</b>	<b>764</b>

(1) The amounts consider:

(i) the physical guarantee of own assets (HPP Porto Primavera and wind complexes) net of the MRE adjustment factor (GSF) performed;

(ii) the amount of 167 MWavg referring to the projects Sol do Piauí and Sol de Jaíba, which should go operational in 2024;

(iii) the physical guarantees are net of losses in the basic network (considered as 3%);

(iv) The physical guarantee subject to the hydrological risk (GSF) is of 630 MWavg, due to the renegotiation of the hydrological risk for 230 MWavg sold in the ACR by HPP Porto Primavera;

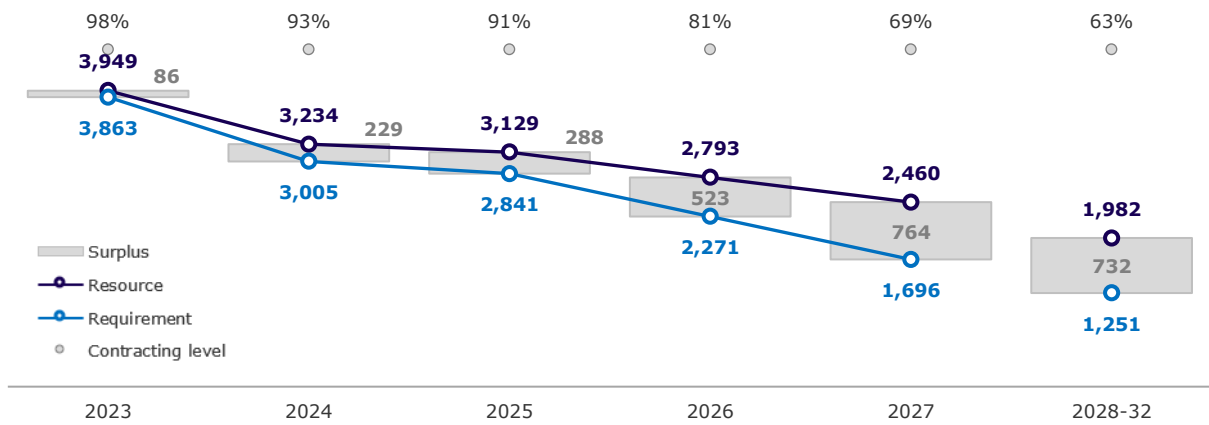
(v) Excluding resources from HPP Paraibuna.

(2) Considering the resources (physical guarantee and purchase agreements) and requirements (sales) equivalent to Auren’s interest in assets in which it holds preferred shares (Pollarix, CBA Energia Participações and Pinheiro Machado Participações).

The total portfolio, taking into account the Generation segments of the company's own assets and holdings, and the Commercialization segment, has a sales volume of close to 3.9 GW on average for 2023, which is more than twice the amount of Auren's physical guarantee for the same period.

As presented in the 3Q22 earnings release, in anticipation of the consolidation of the scenario of falling market prices due to the favorable evolution of the hydrological scenario and the SIN's energy supply conditions, Auren adopted the strategy of selling its long position at the time for the following three years. Therefore, for the period from 2023 to 2025, the portfolio's average contracting level is approximately 94% of its resource, made up of the total physical guarantee of its assets and energy purchase contracts already signed. It should be noted that this level of contracting does not take into account the amount of energy needed to deal with any impact on the physical guarantee of the hydroelectric plants related to hydroelectric displacement (GSF).

**Chart 25 – Energy Balance of Auren's consolidated portfolio (Generation, Commercialization and Participations s)<sup>24</sup> (MW average)**



The contracting level shown in Graph 23 above already includes the physical guarantee for the Sol do Piauí and Sol de Jaíba projects, which are currently being implemented. It should be noted that, for the 2028-2032 horizon, the average contracting level for the consolidated portfolio is 63%.

<sup>24</sup> The following are considered: (i) physical guarantees net of losses in the basic network, an assumption of 3% was adopted; (ii) the expected physical guarantee for the Sol do Piauí and Sol de Jaíba projects; and (iii) the 2024 volume considers the entry of Sol de Jaíba and Sol do Piauí; (iv) the amount of physical guarantee equivalent to Auren's stake in the assets in which it holds a minority stake.

### 3. Financial Performance

As of 1Q23, the company began to present Adjusted EBITDA excluding the mark-to-market (MTM) of future energy purchase and sale contracts, in addition to the other adjustments practiced in previous quarters, namely: (i) provision for or reversal of litigation and write-off of judicial deposits; (ii) dividends received from minority shareholdings; and (iii) gain from the migration of post-employment benefits. The purpose of marking to market is to include in Accounting EBITDA the positive and negative effects of negotiations already signed with future energy deliveries, as well as the effects of exposure to market price variations in the directional position of the energy balance sheet. The presentation of Adjusted EBITDA without the effects of mark-to-market is intended to represent in a more reliable way the Company's current performance, in which it will be possible to identify the result for the current year, while making explicit, in a separate accounting item, the future effects of the negotiations already carried out as well as the effect of market price variations on the long or short directional position. For the sake of comparability, the information relating to the same period in the previous year has also been adjusted.


**Table 15 – Financial Highlights**

R\$ million	3Q23	3Q22	Var. (%)	9M23	9M22 <sup>(a)</sup>	Var. (%)
<b>Net Revenue</b>	<b>1,626.6</b>	<b>1,538.9</b>	<b>5.7%</b>	<b>4,478.2</b>	<b>4,269.7</b>	<b>4.9%</b>
<b>Gross Profit</b>	<b>327.4</b>	<b>304.8</b>	<b>7.4%</b>	<b>1,002.4</b>	<b>897.4</b>	<b>11.7%</b>
Gross Margin	20.1%	19.8%	0.3 p.p.	22.4%	21.0%	1.4 p.p.
<b>EBITDA</b>	<b>350.1</b>	<b>503.2</b>	<b>-30.4%</b>	<b>1,259.9</b>	<b>1,104.0</b>	<b>14.1%</b>
Reversal of Provision for Litigation and Write-off of Judicial Deposits	12.6	(0.9)	N.M.	(143.6)	79.7	N.M.
Dividends Received	64.8	15.7	312.4%	92.2	107.4	-14.2%
Market to Market (MTM)	25.7	(188.3)	N.M.	77.0	(169.2)	N.M.
Migration Post-employment benefits	-	(20.1)	N.M.	-	(20.1)	N.M.
<b>Adjusted EBITDA</b>	<b>453.2</b>	<b>309.6</b>	<b>46.4%</b>	<b>1,285.4</b>	<b>1,101.7</b>	<b>16.7%</b>
Adjusted EBITDA Margin	27.9%	20.1%	-7.7 p.p.	28.7%	25.8%	2.9 p.p.
<b>Financial Result</b>	<b>(120.1)</b>	<b>(53.1)</b>	<b>126.4%</b>	<b>(161.8)</b>	<b>(407.0)</b>	<b>-60.2%</b>
<b>Net Profit</b>	<b>(838.1)</b>	<b>230.1</b>	<b>N.M.</b>	<b>(425.3)</b>	<b>222.6</b>	<b>N.M.</b>

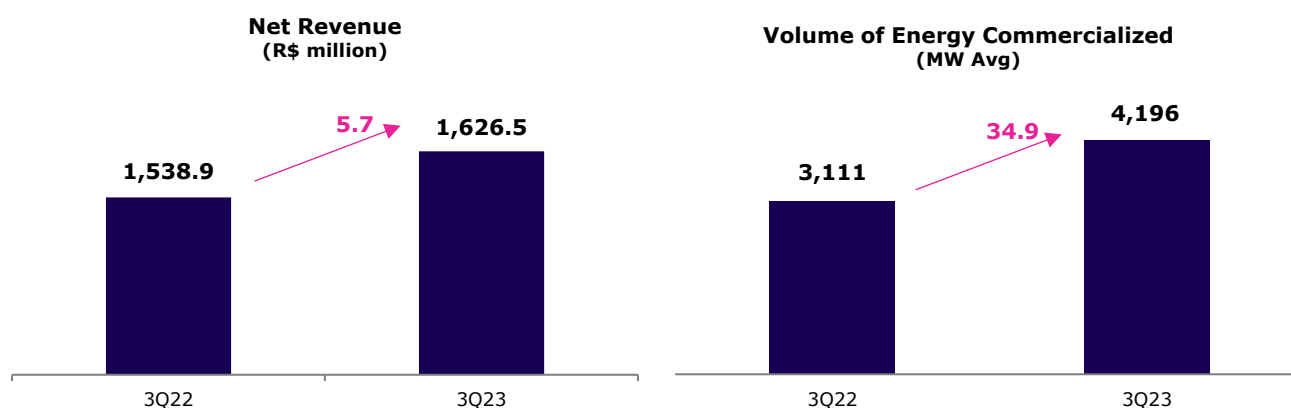
<sup>(a)</sup> The 1Q22 financial performance reflects Auren's unaudited proforma consolidated result, prepared to reflect the effects of the corporate reorganization. From 2Q22 onwards, the audited consolidated result is presented.

#### 3.1 Net Revenue

Net revenue for 3Q23 totaled R\$1,626.6 million, an increase of 5.7% compared to R\$ 1,538.9 million in 3Q22, mainly explained by the 34.9% increase in the volume of energy traded in the period (4,196 average MW in 3Q23 vs. 3,111 average MW in 3Q22). The effects between Auren's business segments are explained below:

- 
- (a) **Hydroelectric Generation:** reduction of R\$ 120.3 million or 28.3% versus 3Q22, mainly due to the reallocation of energy purchase and sale contracts to consolidate them under the Commercialization segment at the end of 2022, which led to the termination of wholesale contracts and the assignment of intercompany contracts to Auren Comercializadora. The assignment has its counterpart reflected in the Commercialization segment and therefore does not impact Auren's consolidated result. The effect of the reallocation was partially offset by inflation adjustments, which generated an increase of R\$ 15.83/MWh in the average price of ACR contracts and contracts that remained under the Hydroelectric Generation segment. The segment's revenue totaled R\$ 304.3 million versus R\$ 424.6 million in 3Q22;
- (b) **Wind Generation:** growth of R\$ 86.9 million or 58.3% compared to 3Q22, mainly due to the start-up of the Ventos do Piauí II and III wind complexes, as well as the readjustment of contracts for inflation (R\$ 5.7 million), effects partially offset by a higher provision for multi-annual reimbursement due to the lower generation in the quarter (R\$ 21.5 million vs. R\$ 13.0 million in 3Q22), totaling net revenue of R\$ 235.8 million vs. R\$ 149.0 million in 3Q22;
- (c) **Commercialization:** an increase of R\$ 44.4 million or 3.8% compared to 3Q22, totaling R\$ 1,209.9 million versus R\$ 1,165.5 million in 3Q22, as a result of the 58.2% increase in the volume of energy trading (2,282 average MW in 3Q23 vs. 1,442 average MW in 3Q22) and the improvement in the margin of operations, which offset the negative effect of the lower prices observed in the market (R\$ 148/MWh in 3Q23 vs. R\$ 214/MWh in 3Q22);
- (d) **Eliminations:** lower effect of eliminations of R\$76.7 million compared to 3Q22, explained mainly by the lower energy prices observed in intercompany operations, defined based on the market price curve for future years at the time of the assignment. For a better understanding of these operations, see the "Important Information" section of this document.

**Graph 26 - Net Revenue and Volume of Energy Sold in the Quarter**



In 9M23, net revenue totaled R\$ 4,478.2 million, representing growth of 4.9% compared to the R\$ 4,269.7 million reported in 9M22.

The Profit and Loss Account for the year, detailing the breakdown of net revenue by segment, is available in the "Appendices" section of this document.

### 3.2 Operating Costs and Expenses

In this quarter, the increase in operating costs and expenses is mainly explained by the variation in the marking to market of energy futures contracts (particularly due to the recognition of higher revenue in this item in 3Q22) and by higher depreciation and amortization costs, due to the start-up of the Ventos do Piauí II and III wind complexes. In relation to 3Q22, PMSO expenses remained stable.

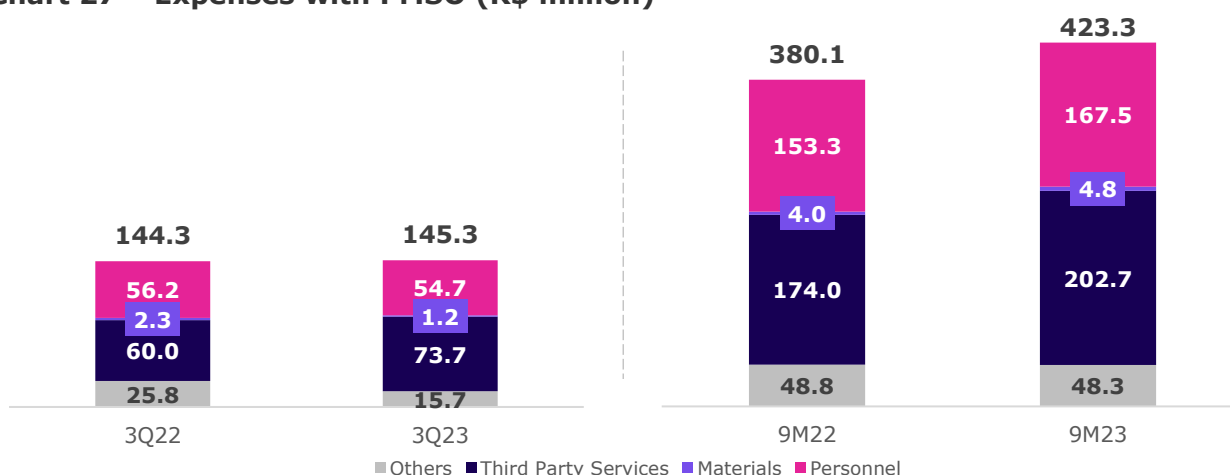
Operating costs and expenses totaled R\$ 1,446.2 million in 3Q23, an increase of 22.9% compared to R\$ 1,176.5 million in 3Q22, explained by:

- (a) Power purchase costs:** increase of R\$ 32.6 million or 3.3% compared to 3Q22 (R\$ 1,022.6 million in 3Q23 vs. R\$ 990.0 million in 3Q22), explained by:
- **Hydroelectric Generation:** reduction of R\$76.0 million in energy purchased in relation to 3Q22, due to the termination of energy purchase contracts to cover short exposure in the generation segment;
  - **Wind Generation:** an increase of R\$4.1 million compared to 3Q22, due to higher energy purchases to cover short-term exposures, due to lower wind generation in the period;
  - **Commercialization:** an increase of R\$ 27.8 million or 2.5%, totaling R\$ 1,122.8 million in 3Q23 vs. R\$ 1,095.0 million in 3Q22, mainly explained by the higher volume of wholesale energy purchase and sale

operations (which totaled 3,413 average MW in 3Q23 vs. 2,400 average MW in 3Q22), although at lower prices than in the same period of the previous year;

- **Intercompany Eliminations:** lower elimination effect of R\$76.7 million in 3Q23, due to the lower energy prices observed in intercompany operations. More details of these operations are available in the "Important Information" section.
- (b) Electricity Grid Usage Charges:** an increase of R\$ 3.7 million or 5.6% in relation to 3Q22, explained by the increase in generation due to the start-up of the Ventos do Piauí II and III wind complexes, which added R\$ 3.4 million in charges from the Wind Generation segment in the quarter;
- (c) Costs and Expenses with PMSO<sup>25</sup>:** stability in relation to 3Q22, totaling R\$145.3 million in 3Q23 versus R\$144.4 million in 3Q22, explained by:
- **Personnel (P):** reduction of R\$1.6 million, mainly due to expenses with restructuring operational teams that occurred in 3Q22, totaling R\$54.7 million versus R\$56.2 million in 3Q22;
  - **Materials and Third Party Services (MS):** an increase of R\$ 12.6 million or 20.2% (R\$ 74.9 million in 3Q23 vs. R\$ 62.3 million in 3Q22), mainly due to the start-up of the Ventos do Piauí II and III wind farms and readjustments in the maintenance contracts for the wind farms that were already in operation;
  - **Other Expenses (O):** reduction of R\$10.1 million compared to 3Q22 (R\$ 15.7 million in 3Q23 vs. R\$ 25.8 million in 3Q22), mainly explained by one-off expenses incurred in 2022.

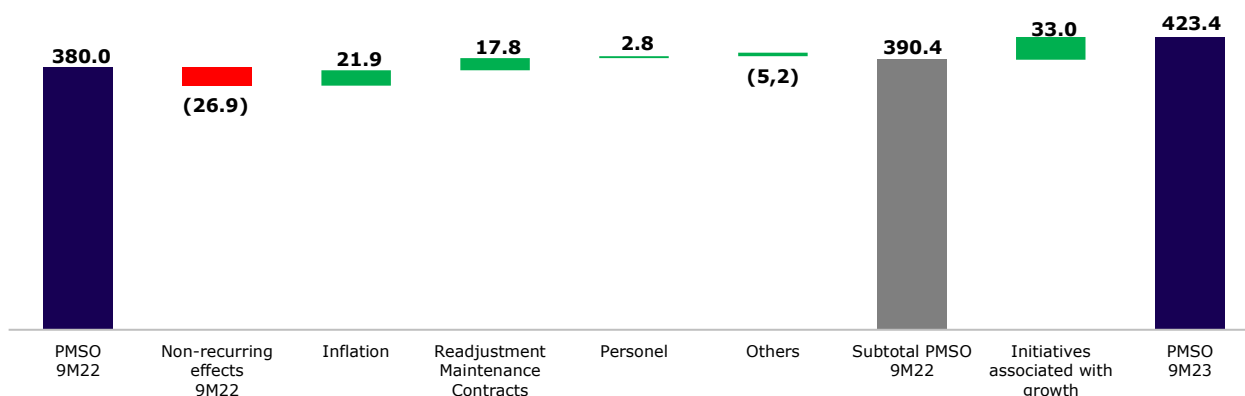
**Chart 27 – Expenses with PMSO (R\$ million)**



<sup>25</sup> The analysis of PMSO expenses includes the items Operating Costs, General and Administrative Expenses and Other Operating Income (Expenses), net presented in the Segmented Income Statement, available in the "Appendices" section of this document, excluding Other Income and Expenses.

In 9M23, PMSO expenses totaled R\$ 423.3 million, an increase of 11.0% compared to the R\$ 380.1 million reported in 9M22, mainly due to the start-up of the Ventos do Piauí II and III wind farms, as well as adjustments to the maintenance contracts for the farms that were already in operation in both periods. The main effects are explained in the following graph:

**Graph 28 – Evolution of PMSO Expenses in 9M23 (R\$ million)**



**(d) Depreciation and Amortization:** an increase of R\$ 28.8 million (R\$ 169.6 million in 3Q23 vs. R\$ 140.9 million in 3Q22), mainly due to the start-up of the Ventos do Piauí II and III wind complexes, which generated an impact of R\$ 26.3 million in this quarter;

**(e) Other Income and Expenses <sup>26</sup>:** expenses of R\$ 38.4 million in 3Q23 compared to revenues of R\$ 165.3 million in 3Q22. The variation is mainly explained by the R\$ 214 million effect of marking energy futures contracts to market.

### 3.3 Adjusted EBITDA

As mentioned above, from 1Q23 onwards, Adjusted EBITDA was presented excluding the mark-to-market (MtM) of future energy purchase and sale contracts, in addition to the other adjustments practiced in previous quarters, namely: (i) provision or reversal of litigation and write-off of judicial deposits; (ii) dividends received from minority shareholdings; and (iii) gain from the migration of post-employment benefits. For comparison purposes, the historical figures were adjusted using the same criteria, as shown in the following reconciliation:

<sup>26</sup> Other income and expenses mainly include mark-to-market (MtM) of energy futures contracts and provision (reversal) for litigation.

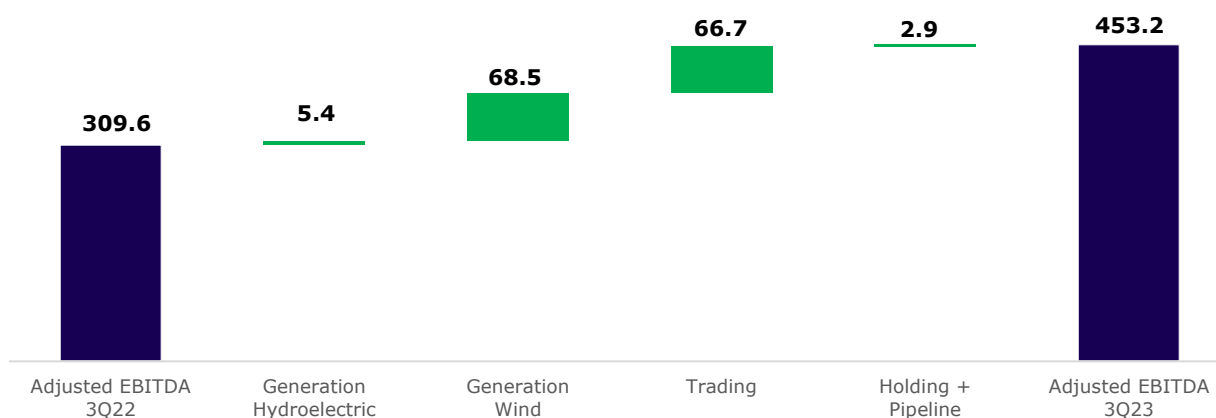
**Table 16 – Reconciliation of Consolidated Adjusted EBITDA**

R\$ million	3Q23	3Q22	Var. (%)	9M23	9M22	Var. (%)
<b>EBITDA</b>	<b>350.1</b>	<b>503.2</b>	<b>30.4%</b>	<b>1.259,9</b>	<b>1.104,0</b>	<b>14.1%</b>
Provision (reversal) for litigation and Expenses with judicial deposits	12.6	(0.9)	N.M.	(143.6)	79.7	N.M.
Dividends Received	64.8	15.7	312.4%	92.2	107.4	-14.2%
Energy futures contracts	25.7	(188.3)	N.M.	77.0	(169.2)	N.M.
Migration gain post-employment benefits	-	(20.1)	N.M.	-	(20.1)	N.M.
<b>Adjusted EBITDA</b>	<b>453.2</b>	<b>309.6</b>	<b>46.4%</b>	<b>1,285.4</b>	<b>1,101.7</b>	<b>16.7%</b>
<b>Adjusted EBITDA Margin</b>	<b>27.9%</b>	<b>20.1%</b>	<b>7.7 p.p</b>	<b>28.7%</b>	<b>25.8%</b>	<b>2.9 p.p</b>

Adjusted EBITDA totaled R\$ 453.2 million in 3Q23, an increase of 46.4% compared to the R\$ 309.6 million reported in 3Q22, with an adjusted EBITDA margin of 27.9%, an expansion of 7.7 p.p. compared to the margin of 20.1% in 3Q22, mainly due to the timing of dividends received from investee companies. The variation in Adjusted EBITDA can be explained mainly by:

- (a) Hydroelectric Generation:** an increase of 2.1% or R\$ 5.4 million in Adjusted EBITDA for the period (R\$ 260.3 million in 3Q23 vs. R\$ 254.8 million in 3Q22), mainly due to the mismatch in the timing of receiving dividends from investee companies, which totaled R\$ 64.8 million this quarter (vs. R\$ 15.7 million in 3Q22), as well as adjustments to the average price of contracts by the IPCA, which generated an increase of R\$ 12.5 million in 3Q23, effects partially offset by the assignment of intercompany energy contracts to Auren Comercializadora;
- (b) Wind Generation:** an increase of 65.3% or R\$ 68.5 million, totaling an Adjusted EBITDA of R\$ 173.3 million in 3Q23 versus R\$ 104.9 million in 3Q22, as a result of the start-up of the Ventos do Piauí II and III wind complexes, generating an impact of R\$ 77 million in this quarter, and of contract readjustments for inflation, which generated a positive impact of R\$ 5.7 million, partially offset by a 10.2% reduction in generation in the period, due to lower wind resources;
- (c) Commercialization:** an increase of R\$ 66.7 million in 3Q23, explained by the increase in volume and the better result of energy trading operations, in addition to one-off effects in 3Q22, totaling R\$ 55.7 million versus a negative Adjusted EBITDA of R\$ 11.1 million in 3Q22 and an increase of 41.7% in energy sold;
- (d) Holding and Pipeline:** reduction of R\$ 2.9 million in expenses in 3Q23, slightly lower than in previous quarters, totaling R\$ 36.0 million in 3Q23, versus R\$ 39 million in 3Q22. The improvement was mainly due to one-off expenses incurred in 2022.

**Gráfico 29 – Evolução do EBITDA Ajustado do 3T23 versus 3T22 (R\$ milhões)**



In 9M23, Adjusted EBITDA totaled R\$ 1,285.4 million, an increase of 16.7% compared to the R\$ 1,101.7 million reported in the previous year, with a margin of 28.7% (+2.9 p.p. vs. 25.8% in 9M22).

**Table 17 – Adjusted EBITDA by Segment**

R\$ million	3Q23	3Q22	Var. (%)	9M23	9M22	Var. (%)
Hydro Generation	260.3	254.8	2.1%	734.9	905.5	-18.8%
Wind Generation	173.3	104.9	65.3%	463.9	288.4	60.8%
Trading	55.7	(11.1)	N.M.	198.1	7.8	2,453.1%
Holding and Pipeline	(36.0)	(39.0)	-7.5%	(111.5)	(100.0)	11.5%
<b>Adjusted EBITDA</b>	<b>453.2</b>	<b>309.6</b>	<b>46.4%</b>	<b>1,285.4</b>	<b>1,101.7</b>	<b>16.7%</b>
<b>Adjusted EBITDA Margin</b>	<b>27.9%</b>	<b>20.1%</b>	<b>7.7 p.p</b>	<b>28.7%</b>	<b>25.8%</b>	<b>2.9 p.p</b>

## 3.4 Financial Results

**Table 18 – Consolidated Financial Result**

R\$ million	3Q23	3Q22	Var.%	9M23	9M22	Var.%
<b>Financial Income</b>	<b>74.5</b>	<b>112.8</b>	<b>-33.9%</b>	<b>806.7</b>	<b>305.8</b>	<b>163.8%</b>
Monetary restatement of assets indemnifiable by the Union	-	-	-	262.3	-	N.M.
Income on cash equivalents, financial investments and reserve account	186.6	104.8	78.1%	396.6	267.0	48.5%
Ajuste a valor presente e atualização monetária de alienação de investidas	12.3	3.7	229.5%	20.1	29.2	-30.9%
Present value adjustment and monetary restatement of disposals of investees	-	-	-	11.7	-	N.M.
Monetary restatement of judicial deposits	2.9	4.4	-33.5%	9.8	10.5	-6.7%
Realization of adjustment to present value of indemnifiable assets	-	-	-	11.5	-	N.M.
Reversal of present value adjustment for securitization	-	-	-	218.4	-	N.M.
Other financial income	5.6	3.8	45.6%	18.2	9.0	102.6%
(-) PIS e COFINS on financial results	(132.9)	(4.0)	3,194.8%	(141.9)	(9.9)	1,333.9%
<b>Financial Expenses</b>	<b>(194.6)</b>	<b>(165.8)</b>	<b>17.4%</b>	<b>(968.5)</b>	<b>(712.7)</b>	<b>35.9%</b>

Interest on loans, financing and debentures	(103.7)	(84.0)	23.5%	(295.3)	(202.3)	46.0%
Monetary restatement of loans, financing and debentures	(13.8)	9.9	N.M.	(177.3)	(146.6)	20.9%
Settlement of funding costs	(5.0)	(3.9)	30.2%	(12.9)	(13.2)	-1.8%
Monetary restatement of provision for litigation	(3.9)	(17.7)	-78.0%	(26.9)	(93.8)	-71.4%
Financial cost of securitization	-	-	-	(236.6)	-	N.M.
Financial instrument - Import financial hedge	0.9	-	N.M.	(7.7)	-	N.M.
Write-off of monetary restatement of judicial deposits	(0.6)	4.3	N.M.	(2.9)	(2.5)	17.3%
Updating the balance of post-employment benefits	(43.8)	(41.8)	4.7%	(131.4)	(118.0)	11.3%
Bank contract termination	-	-	-	-	(28.0)	N.M.
Charges on discount operations	-	(12.1)	N.M.	-	(36.5)	N.M.
Adjustment to present value of disposal of investees	(3.6)	(3.6)	0.2%	(9.4)	(16.3)	-41.9%
Monetary update on reimbursement	(1.4)	1.0	N.M.	(13.1)	(10.1)	29.9%
Other financial expenses, net	(19.7)	(18.0)	9.6%	(54.8)	(45.4)	20.9%
<b>Net Financial Result</b>	<b>(120.1)</b>	<b>(53.1)</b>	<b>126.4%</b>	<b>(161.8)</b>	<b>(406.9)</b>	<b>-60.2%</b>

In 3Q23, the net financial result was a net expense of R\$ 120.1 million (vs. a net expense of R\$ 53.1 million in 3Q22), due to:

- (a) Financial income:** a reduction of R\$ 38.3 million or 33.9% in financial revenue in the quarter (R\$ 74.5 million vs. 112.8 million in 3Q22), mainly due to the negative effect of the recognition of PIS/COFINS on the restatement of the gain related to the indemnification of HPP Três Irmãos, which totaled R\$ 124.8 million.
- (b) Financial expenses:** increase of R\$ 28.8 million or 17.4% compared to 3Q22, totaling R\$ 194.6 million (vs. R\$ 165.8 in 3Q22), mainly explained by the following effects:
  - Interest on debts and monetary restatement R\$ 43.4 million higher than in 3Q22, due to the increase in the Company's debt base (R\$ 6.1 billion in 3Q23 vs. R\$ 5.7 billion in 3Q22), mainly due to the start-up of the Ventos do Piauí II and III wind farms and the consequent closure of the capitalization of the debt charges of the respective farms, as well as the raising of financing (R\$ 180 million) for the Sol de Jaíba project in 1Q23;
  - Reduction in the monetary restatement of the provision for litigation of R\$ 13.8 million due to a decrease of R\$ 429 million in the balance compared to 3Q22, and a negative variation of 6.24 p.p. in the General Market Price Index (IGP-M) (0.37% in 3Q23 vs. 6.61% in 3Q22), the main indexer of the provision's liability balance.

### 3.5 Net Income

**Table 19 – Consolidated Net Income**

R\$ million	3Q23	3Q22	Var. %	9M23	9M22	Var. %
<b>EBITDA</b>	<b>350.1</b>	<b>503.2</b>	<b>-30.4%</b>	<b>1,259.9</b>	<b>1,104.0</b>	<b>14.1%</b>
Depreciation and Amortization	(169.6)	(140.9)	20.4%	(507.6)	(443.3)	14.5%
Financial Result	(120.1)	(53.1)	126.4%	(161.8)	(407.0)	-60.2%
Income Tax and Social Contribution	(943.5)	(111.0)	749.6%	(1,079.1)	(117.4)	818.9%
Equity Income	45.0	31.8	41.5%	63.4	86.3	-26.6%
<b>Net Income (Loss)</b>	<b>(838.1)</b>	<b>230.1</b>	<b>N.M.</b>	<b>(425,3)</b>	<b>222.6</b>	<b>N.M.</b>

The net loss in 3Q23 totaled R\$ 838.1 million, versus a profit of R\$ 230.1 million in 3Q22, the result of:

- (a) EBITDA:** the consolidated EBITDA (pre-adjustments) of R\$ 350.1 million in 3Q23, represents a reduction of R\$ 153.1 million or -30.4% in relation to the R\$ 503.2 million recorded in 3Q22;
- (b) Financial result:** a reduction of R\$ 67.0 million in the net financial result in relation to 3Q22, mainly explained by the accounting effect of the recognition of PIS/COFINS on the restatement of the gain related to the indemnification of HPP Três Irmãos (R\$ 124.8 million);
- (c) Income Tax and Social Contribution:** an expense of R\$ 943.5 million in 3Q23, due to the recognition of IR/CSLL on the update of the gain related to the indemnification of HPP Três Irmãos, which totaled R\$ 912.4 million, of which R\$ 608.7 million refers to current expenses and R\$ 303.7 million to the portion of deferred taxes reversed due to the offsetting of the calculation basis;
- (d) Equity income:** an increase of R\$13.2 million compared to 3Q22, due to the positive mark-to-market effect on future energy sales contracts of investees.

### 3.6 Debt

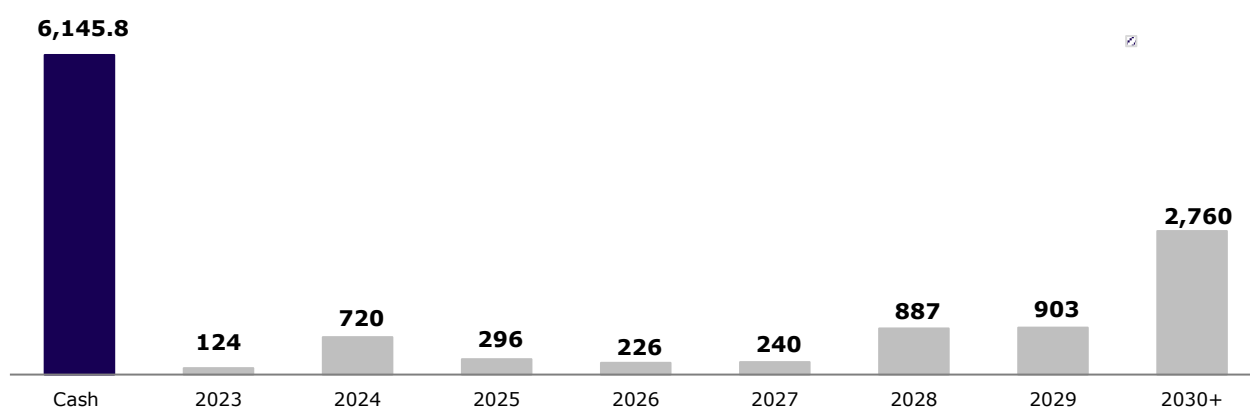
The company's gross debt at the end of 3Q23 totaled R \$6.1 billion, compared to R\$ 5.7 billion in 3Q22, which corresponds to an increase of R\$ 417 million between the periods, mainly explained by the funding for the Ventos do Piauí II and III wind complexes and for the Sol de Jaíba photovoltaic project, which

totalled R\$ 851 million, in addition to R\$ 617 million in interest and monetary restatement and the payment of R\$1 billion in principal and interest.

The balance of cash, cash equivalents and financial investments at the end of 3Q23 totalled R\$ 4.9 billion, an increase of R\$ 1.9 billion compared to R\$ 3.0 billion in 3Q22, reflecting the receipt of the securitization of the Três Irmãos HPP indemnity in the amount of R\$ 4.2 billion in 2Q23.

At the end of 3Q23, the company's consolidated net debt totalled R\$ 1.3 billion, with an average maturity of 6.9 years, an average pre-fixed cost of the portfolio of 10.5% p.a. (IPCA + 4.7% p.a. or CDI -0.9% p.a.), and leverage of 0.7x Net Debt/Adjusted EBITDA compared to 2.0x in 3Q22.

**Chart 30 – Gross Debt Principal Repayment Schedule (R\$ million)**



**Chart 31 – Gross Debt Profile (%)**



The charts detailing the indebtedness and composition of the Company's debt portfolio are available in the "Appendices" section of this document, as well as the credit ratings of the Company, its subsidiaries and its debt instruments.


### 3.7 Free Cash Flow

**Table 20 – Consolidated Free Cash Flow**

R\$ million	3Q23	3Q22	Var. %	9M23	9M22	Var. %
Adjusted EBITDA	453.2	309.6	46.4%	1,285.4	1,101.7	16.7%
Income Tax/CS Cash	(608.2)	(7.2)	8,324.2%	(706.0)	(45.7)	1,444.9%
Working Capital and Others	115.2	37.5	206.9%	172.4	(25.5)	N.M.
CAPEX Sustaining	(8.7)	(4.4)	99.4%	(17.8)	(7.9)	126.4%
<b>Operating Cash Flow</b>	<b>(48.5)</b>	<b>335.6</b>	<b>N.M.</b>	<b>734.1</b>	<b>1,022.6</b>	<b>-28.2%</b>
Debt Service	(109.3)	(76.8)	42.3%	(264.6)	(211.7)	25.0%
<b>Operating Cash Flow after Debt Servicing</b>	<b>(157.9)</b>	<b>258.8</b>	<b>N.M.</b>	<b>469.5</b>	<b>810.9</b>	<b>-42.1%</b>
CAPEX Projects	(654.4)	(431.0)	51.8%	(1,452.8)	(1,412.8)	2.8%
Litigation Settlement	(14.9)	(20.4)	-26.8%	(96.0)	(85.3)	12.5%
Funding	0.0	159.0	N.M.	728.6	902.9	-19.3%
Amortization	(553.4)	(27.0)	1,951.2%	(640.7)	(81.7)	684.5%
Securitization	-	-	-	4,164.6	-	-
Capital Increase	-	-	-	-	1,500.0	N.M.
Vivest Migration	-	(306.0)	-100.0%	-	(306.0)	N.M.
Dividends	-	-	-	(1,499.8)	(100.0)	1,399.9%
<b>Free Cash Flow</b>	<b>(1,380.6)</b>	<b>(366.7)</b>	<b>276.5%</b>	<b>1,673.4</b>	<b>1,228.1</b>	<b>36.3%</b>
Initial cash balance	6,285.3	3,347.7	87.8%	3,231.3	1,752.9	84.3%
Final cash balance	4,904.7	2,981.0	64.5%	4,904.7	2,981.0	64.5%
Liquidity Fund - Reserve Account	176.8	121.8	45.1%	176.8	121.8	45.1%
<b>Closing Cash Balance + Reserve Account</b>	<b>5,081.5</b>	<b>3,102.8</b>	<b>63.8%</b>	<b>5,081.5</b>	<b>3,102.8</b>	<b>63.8%</b>

The variation in free cash flow between 3Q23 and 3Q22 is mainly explained by:

- (a) Working Capital and Others:** increase of R\$ 77.7 million in the quarter (R\$ 115.2 million in 3Q23 vs. R\$ 37.5 million in 3Q22), mainly explained by the R\$ 81.0 million increase in financial revenue due to the higher cash balance;
- (b) Project CAPEX:** disbursement of R\$ 654.4 million in 3Q23, mainly due to the progress of the facilities at the Sol de Jaíba and Sol do Piauí projects;
- (c) Income Tax / Social Contribution Cash:** disbursement of R\$ 608.2 million in 3Q23, due to taxation on the update of the gain related to the indemnification of HPP Três Irmãos (R\$ 578 million), as mentioned in the previous sections, in addition to the increase in the trading company's margin (R\$ 18 million) and the start-up of wind farms (R\$ 7 million);

- 
- (d) **Amortization:** disbursement of R\$553.4 million in principal amortization in 3Q23, mainly due to the loan under Law No. 4131/1962 pre-paid in 3Q233.

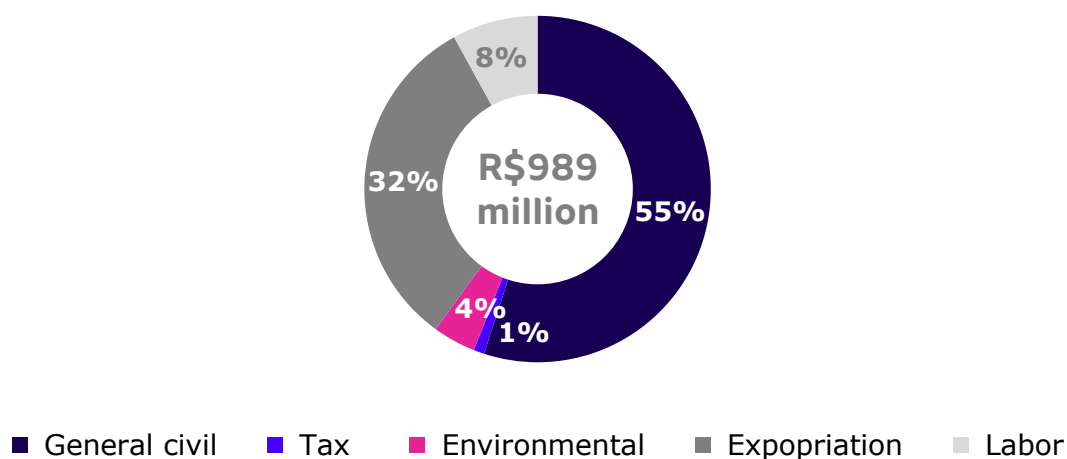
## 4. Passive Litigation

In line with best market practices, the disclosure of Auren's litigation liabilities includes the amount involved in lawsuits whose estimated loss is probable or possible.

Currently, the company is party to lawsuits that represent a liability contingency of R\$989 million with a probability of loss estimated as probable and the amount of R\$1,644 million classified with a probability of loss estimated as possible.

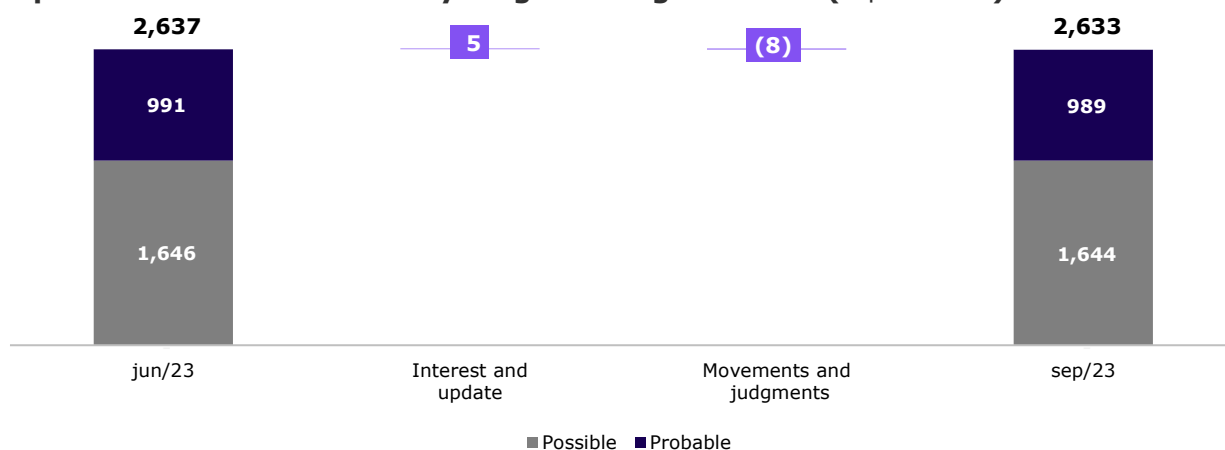
From 2Q23 to 3Q23, there was a reduction of R\$1.1 million in probable litigation liabilities, resulting from agreements, the closure of lawsuits in favor of the Company and adjustments to the estimate and prognosis of the cases, according to procedural developments. The reduction of the remaining R\$1.4 million was in the line of possible litigation liabilities.

**Chart 32 - Profile of Litigation Liabilities (% Total)**



The Company reinforces that the value of litigation liabilities is subject to constant reassessment, precisely because its measurement is linked to the Company's best risk prognosis, including the progress of the lawsuits themselves.

**Graph 33 - Evolution of Liability Litigation Legal Actions (R\$ million)**



The Company reinforces that the value of litigation liabilities is subject to constant reassessment, precisely because its measurement is linked to the Company's best risk prognosis, including the progress of the lawsuits themselves.

## 5. Regulatory Matters

### 5.1 ANEEL approves rules for calculating the Constrained-off of solar photovoltaic plants

In September, the National Electric Energy Agency (ANEEL) approved Normative Resolution No. 1,073/2023, which establishes the procedures and criteria for calculating and paying for restrictions on the operation of solar photovoltaic plants due to constrained-off.

It is important to remember that constrained-off is the reduction in energy generation at one or more power plants due to issues external to their management, i.e. situations in which the entrepreneur limits its generation in real time, even though it has the capacity to generate more, at the request of the National System Operator (ONS) due to issues such as unavailability of transmission lines, limits on the network's flow capacity or even insufficient load to meet the demand.


Regulating this issue is important because it guarantees compensation for the agents affected by these cuts, whether they are generators themselves or even free and regulated consumers.

For reimbursement purposes, only generation outages classified by the ONS as being due to external unavailability will be considered, in other words, those caused by unavailability of transmission or distribution facilities. Thus, outages classified as being for the purpose of meeting electrical reliability requirements, in situations where generation is reduced due to transmission lines reaching their limits, and outages classified as being for energy reasons, in situations where it is impossible to allocate generation to the load, will not be eligible for reimbursement.

In addition, only restriction events that exceed the annual franchise of hours of 30 hours and 30 minutes will be reimbursed. This limit is the average unavailability calculated in the system's transmission functions and the regulatory agency considers that unavailability up to these values are risks inherent to the power generation business and should not be reimbursed.

With regard to reimbursement, this will be done via System Service Charges (ESS) and the amount of frustrated energy will be valued at the Difference Settlement Price (PLD) of the submarket during the restriction period and will apply to both the Regulated Contracting Environment (ACR) and the Free Contracting Environment (ACL).

For frustrated energy sold via a Regulated Environment Energy Purchase Contract (CCEAR), payment will be made directly to the distributors who bought the respective contracts. For energy sold via a Reserve Energy Contract (CER), payment will be made into the Reserve Energy Account (CONER), an account managed by the Electricity Trading Chamber (CCEE), which is responsible for collecting the Reserve Energy Charge



(EER). Finally, for the portion of energy sold directly on the ACL, payment will be made directly to the generator.

For constrained-off events that occurred before the publication of these regulations, only energy that has been frustrated and not delivered to the ACR and that has a request for reimbursement filed with ANEEL will be eligible for reimbursement.

It should be noted that the rules approved for the solar source are based on the constrained-off regulations for the wind source, provided for in Normative Resolution No. 1,030, of July 2022.

The operationalization of the regulation and the effective reimbursement of frustrated energy to the affected agents now depend on the publication of the CCEE's Commercialization Rules on the subject, discussed within the scope of Public Consultation No. 22/2022.

## **5.2 Market Monitoring**


ANEEL's board of directors approved the process of prudential monitoring of the electricity market with the aim of ensuring greater commercial and financial security in operations by identifying leverage of sector agents at levels higher than bearable risk levels. The issue was regulated by Normative Resolution No. 1,072/2023, of August 29, 2023, preceded by extensive discussion with the market through Public Consultation No. 11/2022, which had two phases of contributions, one from April to May 2022 and the other from February to April 2022.

The Resolution provides for a test period, known as the shadow period for market monitoring and the Prudential Monitoring Algebraic Manual produced by the CCEE. The shadow period, which will begin on November, 01, 2023, and is expected to end in 12 months, aims to test the parameters, the methodology and the agents' leverage limit. The leverage factor will be the measure used to assess the financial capacity of the companies to bear the risks of exposure to the Short-Term Market (MCP), which is exposed to the volatility of the Difference Settlement Price (PLD) and is assumed by the companies.

Agents must periodically send the CCEE information on their equity and net assets, future exposure and energy purchase and sale data to calculate the leverage factor (FA).

The CCEE will publish a future price curve for calculating exposures, using the mark-to-market mechanism, and will make a system available for agents to use to calculate their leverage factor. This system is based on confidential computing technology, using encrypted data to guarantee the integrity and confidentiality of the information sent.

In more detail, the information for the calculation that must be sent to the CCEE will be weekly for generating agents and traders and monthly for consumers:



Total consolidated purchase contracts, in Reais and MW, monthly, for the calculation month and for the next six months, by type of contract (fixed price, variable price and derivatives), by type of energy and by submarket:

- I. Total consolidated purchase contracts, in Reais and MW, on a monthly basis, for the calculation month and for the next 6 months, by type of contract (fixed price, variable price and derivatives), by type of energy and by submarket;
- II. Total consolidated sales contracts, in Reais and average MW, on a monthly basis, for the calculation month and for the next 6 months, by type of contract (fixed price, variable price and derivatives), by type of energy and by submarket;
- III. Generation forecast in average MW, on a monthly basis, for the month of calculation and for the next 6 months, by type of energy and by submarket;
- IV. Consumption forecast in average MW, on a monthly basis, for the month of calculation and for the next 6 months, by type of energy and by submarket;
- V. Exposure of the 5 largest counterparties, individually, considering the next three short-term market bookings;
- VI. Revenue from regulated market contracts (CCEAR-D, CER, CCGF, CCEN and Itaipu), monthly, for the current month and for the next 6 months; and
- VII. Net Worth, excluding low liquidity items.

The results of the operation will be disclosed by the agents and the CCEE, as established in the regulation. Although this is a test period with parameters being evaluated and which may be altered when the definitive regulation is concluded, the disclosure of the factors at this stage seeks to create a learning curve for the market on the appropriate way to interpret the Leverage Factor and its applications, such as in credit analysis.

After the 12-month test period, the CCEE must send ANEEL studies and evaluations to establish the necessary parameters for Prudential Monitoring, as well as studies that address the possibility of simplifying the process and differentiating treatment by type and size of agent. Only after ANEEL has analyzed the results of the studies will the definitive Normative Resolution on the subject be published.

This issue is extremely important for the energy market and will be essential for the proper functioning of the Brazilian electricity sector, especially regarding the expansion and consistent development of the energy trading market.

### **5.3 Evolution of transmission costs with the change in the methodology for calculating the Tariff for Use of the Transmission System**

As reported in 2Q23 Earnings Release, in the Regulatory Matters section, which highlighted legislative action (via PDL Bill No. 365/2022) to halt ANEEL regulations, in 2022 Normative Resolution 1,024/2022 and Normative Resolution 1,041/2022 were

published, changing the methodology for calculating Transmission System Use Tariffs (TUST).

The first, Normative Resolution 1,024/2022, eliminated the possibility of stabilizing TUSTs, while respecting the stabilization periods in force until their closure. Normative Resolution 1.041/2022 brought changes to the locational signal, seeking to allocate greater transmission costs to the users who most burden this transmission service. A transition period of five years was established for the complete implementation of the new methodology, by weighting the tariffs calculated from the application of the old and new methodologies, according to the percentages shown in the following table.

**Table 21 – Transition period for locational signal methodologies**

Tariff Cycle	Locational Sign Previous Methodology	Locational Sign New Methodology
2022-2023	100%	0%
2023-2024	90%	10%
2024-2025	80%	20%
2025-2026	70%	30%
2026-2027	60%	40%
2027-2028	50%	50%

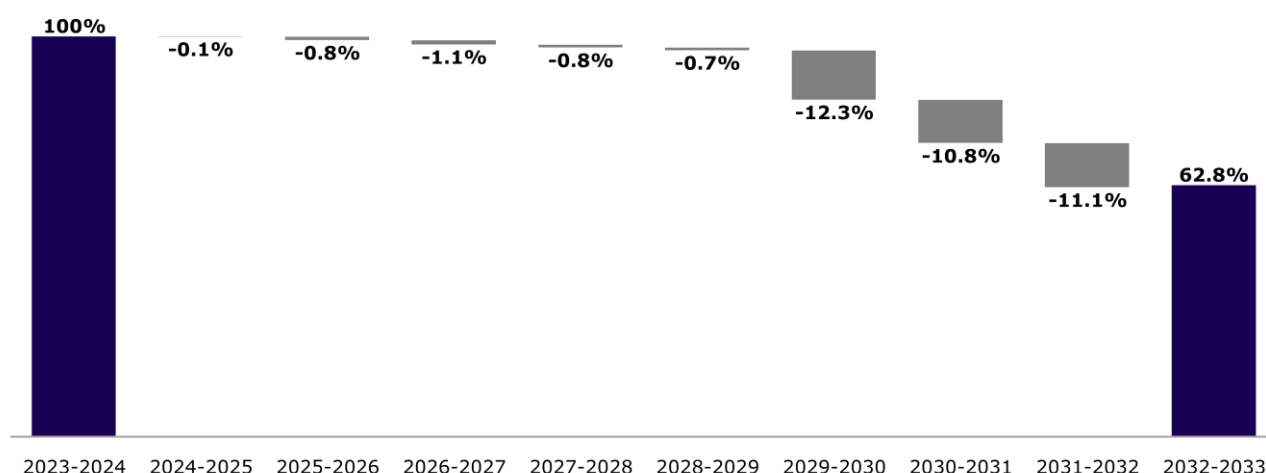
The following table shows the stabilization profile of the tariffs for the use of the transmission system for the company's assets. Most of its portfolio has stabilized tariffs.

**Table 22 – Portfolio stabilization profile**

Plant	Stabilized TUST	Stabilization period
HPP Porto Primavera	Yes	10 years (Jul/2019 to Jun/2029)
HPP Campos Novos	No	-
HPP Barra Grande	No	-
HPP Machadinho	No	-
Ventos do Piauí I	Yes	For the entire grant period
Ventos do Araripe III	Yes	For the entire grant period
Ventos do Piauí II	Yes	10 years (Jul/2022 to Jun/2032)
Ventos do Piauí III	Yes	10 years (Jul/2022 to Jun/2032)
Sol do Jaíba	Yes	10 years (Jul/2023 to Jun/2033)

The figure below shows the expected reduction in the company's transmission costs over the next 10 years. The end of the tariff stabilization period for the Porto Primavera HPP could contribute to a reduction of around 11% in costs over the next three cycles, reaching a total reduction in the 2032/2033 cycle of around 37%. The partial reduction is due to the existence of a transition rule for the end of the stabilization periods.

**Chart 34 – Expectation of a reduction in the Company's transmission costs**



#### 5.4 Revocation of the physical guarantee amounts for wind generators established in the ordinary review carried out in 2022 to take effect from 2023

The National Secretariat for Energy Transition and Planning of the Ministry of Mines and Energy, through Ordinance No. 2.634 SNTEP/MME published on 19.10.2023, revoked the physical guarantee amounts of wind generators, which were established after conducting the annual review process carried out in 2022 (the revised amounts were published through Ordinance No. 1.851 SPE/MME of 15.12.2022).

According to Article 6 of MME Ordinance 416/2015, which established the calculation procedures and methodologies for this review, the effects of unavailability due to systemic restrictions or third-party causes, duly recognized by ANEEL, should be excluded when calculating average generation.

The company had a total amount of 27.4 MW med of physical guarantee re-established, referring to 10 wind farms belonging to the Ventos do Araripe III complex, effective as of the date of publication of the ordinance, not affecting the results for this quarter.

**Table 23 – Comparison between the current and revised Physical Guarantee (GF) of wind assets**

Wind Power Plant	Auren's interest	GF in force 2023 (average MW)	Adjusted GF PRT 1851 (average MW)	Variation (average MW)	Change (%)	Auren share (average MW)
Ventos do Araripe III	100%	151.1	178.5	+27.4	+15.4%	+27.4

## 6. Important Information

### 6.1 Segmentation of Results

The segmentation of the results reflects:

- **Hydroelectric Generation:** segment composed of the companies CESP Geradora and other hydroelectric assets in which Auren has an indirect interest through the companies CBA Energia (BAESA and ENERCAN), Pollarix (ENERCAN, Amador Aguiar I and II, Igarapava and Picada) and Pinheiro Machado (Machadinho), whose balances are recognized via equity in the Company's consolidated financial statements;
- **Wind Generation:** segment composed of the wind complexes of Ventos do Piauí I, II and III and Ventos do Araripe III;
- **Comercialization:** segment composed of Auren Comercializadora (formerly Votener) and CESP Comercializadora;
- **Holding and Pipeline:** segment composed of the Company's corporate structure expenses and other projects in the structuring and construction phase, such as the Sol do Piauí and Sol de Jaíba projects.

To download the spreadsheet with the segmented results, [click here](#).

### 6.2 Intercompany Operations

The intercompany transactions involving Auren's companies are essentially concentrated between the Hydroelectric Generation (substantially in CESP Geradora) and Wind Generation (plants of the Ventos do Piauí I, II and III and Ventos do Araripe III complexes) segments with the Commercialization segment (Auren Comercializadora, formerly Votener, and CESP Comercializadora) and refer to the purchase and sale contracts of part of the energy generated by these companies for commercialization in the free market.

In addition, specifically for the case involving CESP Geradora and CESP Comercializadora, there are purchase and sale transactions with the purpose of managing the energy balance of hydroelectric assets, in order to mitigate the effects brought by the GSF on the Company's result.

The intercompany transactions mentioned are eliminated (Eliminations column of the Segment Income Statement, Annexes 01 and 02) for the consolidation of Auren Energia's results.



## ▪ **Impacts of Intercompany Operations in 2022**

The companies Votorantim Energia and CESP, prior to the formation of Auren, individually held energy purchase and sale contracts in their respective trading companies and generation assets. Throughout 2022, Auren restructured the Commercialization segment, with the objective of consolidating these contracts in Auren Comercializadora. In this context, the following initiatives were implemented throughout 2022:

- Transfer of all future energy purchase and sale contracts with third parties (except transactions with contractual or regulatory restrictions) from the generation assets to Auren Comercializadora; and
- Creation of intercompany contracts for the sale of surplus energy between Auren's Generation and Marketing segments in order to equalize the Company's energy balance.

This consolidation brought opportunities to simplify the management of these contracts, segregate the risk and return profiles of the Generation and Commercialization businesses and capture the relevant synergies in the optimization of this portfolio.

Considering that the Company's accounting policies, from the point of view of its Consolidated Financial Statements, remained the same, this consolidation of contracts had no effect on the consolidated result, in which future energy purchase and sale contracts continue to be classified according to their original classification:

- Wholesale contracts: contracts classified outside the scope of CPC 48, since they continue to be held for the purpose of receiving or delivering a non-financial item, and are not marked to market; and
- Trading contracts: contracts classified within the scope of CPC 48, classified as financial instruments recognized at fair value on the date the respective contract is entered into and are subsequently marked to market at their fair value.

## **6.3 Equity equivalence**

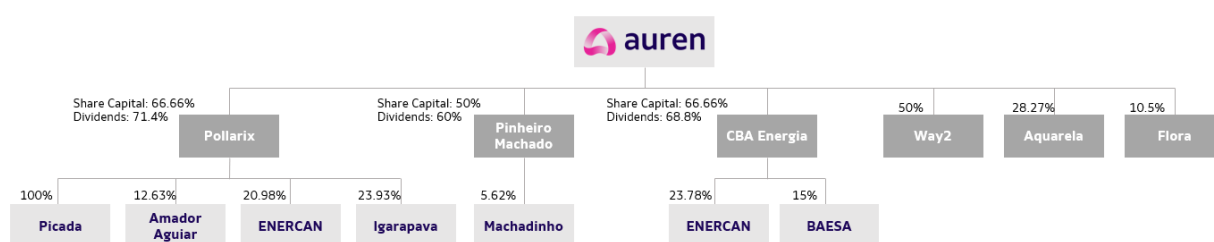
The results that make up the equity accounted for by the Company come from indirect equity interests in hydroelectric assets (CBA Energia, Pollarix and Pinheiro Machado) and in the companies Way2, Aquarela and Flora Energia.

The eliminations presented in the consolidated result, in addition to the intercompany operations mentioned in the previous topic, include the results of each of the companies in which Auren holds an interest and which are consolidated for the purposes of the financial statements, as in the cases of CESP, Auren Comercializadora, the companies

of the wind complexes of Ventos do Piauí I, II and III and Ventos do Araripe III and Sol de Jaíba, essentially.

The minority stakes held by Auren in the companies CBA Energia, Pollarix, Pinheiro Machado and the stakes held by Auren Comercializadora in the companies Way2, Aquarela and Flora Energia are not eliminated for accounting purposes as they do not meet the criteria for consolidating their stakes.

**Figure 2 - Company's indirect shareholdings**



## 6.4 Serra de Ibiapaba Wind Project

The Serra de Ibiapaba greenfield wind project, located in the municipalities of Carnaubal and Guaraciaba do Norte, in the state of Ceará, has an estimated installed capacity, according to the current target layout, of 382 MW and is.

At the time of the announcement of the proposed corporate reorganization that resulted in the formation of Auren, as disclosed by CESP in a Material Fact dated October 18, 2021, it was reported that the project (which belonged to VTRM (now Auren) at that time) would be transferred to a joint venture (JV), controlled by Votorantim S.A. and CPP Investments. However, in 3Q22, Auren's Board of Directors, in agreement with the JV's counterparties, decided to terminate the agreement providing for such a transfer, keeping the project at Auren.

After updating the economic and financial viability analysis of the Serra de Ibiapaba project on September 22, 2023, Auren's Board of Directors decided to return it to the original developer, as per the contract. As a result, the project is no longer part of Auren's greenfield project portfolio, at no additional cost or burden to the Company.

## 7. Appendices

### Appendice 01 - Income Statement and Adjusted EBITDA 3Q23 vs. 3Q22 - Segmented View

R\$ thousand	Consolidated			Hydroelectric Generation			Wind Power Generation			Comercialization			Holding			Elimination		
	3Q23	3Q22	Var. %	3Q23	3Q22	Var. %	3Q23	3Q22	Var. %	3Q23	3Q22	Var. %	3Q23	3Q22	Var. %	3Q23	3Q22	Var. %
Gross Revenue	1,842,232	1,756,361	4.9%	354,306	488,736	-27.5%	244,715	155,066	57.8%	1,375,628	1,330,231	3.4%	-	-	-	(132,417)	(217,672)	-39.2%
<b>Net Revenue</b>	<b>1,626,590</b>	<b>1,538,901</b>	<b>5.7%</b>	<b>304,341</b>	<b>424,630</b>	<b>-28.3%</b>	<b>235,847</b>	<b>148,984</b>	<b>58.3%</b>	<b>1,209,939</b>	<b>1,165,490</b>	<b>3.8%</b>	-	-	-	<b>(123,537)</b>	<b>(200,203)</b>	<b>-38.3%</b>
Purchased energy costs	(1,022,597)	(990,013)	3.3%	(17,751)	(93,706)	-81.1%	(5,614)	(1,521)	269.1%	(1,122,769)	(1,094,989)	2.5%	-	-	-	123,537	200,203	-38.3%
Charges for Use of the Power Grid	(70,290)	(66,584)	5.6%	(56,484)	(56,137)	0.6%	(13,806)	(10,447)	32.2%	-	-	-	-	-	-	-	-	-
Operating costs	(51,092)	(51,758)	-1.3%	(10,825)	(19,020)	-43.1%	(40,267)	(32,738)	23.0%	-	-	-	-	-	-	-	-	-
Depreciation and Amortization	(155,174)	(125,723)	23.4%	(96,841)	(94,570)	2.4%	(58,333)	(31,153)	87.2%	-	-	-	-	-	-	-	-	-
<b>Gross profit (loss)</b>	<b>327,437</b>	<b>304,823</b>	<b>7.4%</b>	<b>122,440</b>	<b>161,197</b>	<b>-24.0%</b>	<b>117,827</b>	<b>73,125</b>	<b>61.1%</b>	<b>87,170</b>	<b>70,501</b>	<b>23.6%</b>	-	-	-	-	-	-
General and administrative expenses	(95,508)	(93,524)	2.1%	(22,881)	(24,958)	-8.3%	(4,275)	1,077	-496.9%	(30,562)	(30,894)	-1.1%	(37,790)	(38,749)	-2.5%	-	-	-
Depreciation and amortization	(14,469)	(15,154)	-4.5%	(661)	(1,101)	-40.0%	(1,582)	(2,625)	-39.7%	(798)	(442)	80.5%	(11,428)	(10,986)	4.0%	-	-	-
Other operating income (expenses), net	(37,023)	166,216	-122.3%	(13,382)	29,342	-145.6%	1,430	(498)	-387.1%	(110,500)	478,371	-123.1%	1,747	(228)	-866.2%	83,682	(340,771)	-124.6%
<b>Operating profit before equity investments and financial results</b>	<b>180,437</b>	<b>362,361</b>	<b>-50.2%</b>	<b>85,516</b>	<b>164,480</b>	<b>-48.0%</b>	<b>113,400</b>	<b>71,079</b>	<b>59.5%</b>	<b>(54,690)</b>	<b>517,536</b>	<b>-110.6%</b>	<b>(47,471)</b>	<b>(49,963)</b>	<b>-5.0%</b>	<b>83,682</b>	<b>(340,771)</b>	<b>-124.6%</b>
Equity income	45,027	31,824	41.5%	45,317	57,291	-20.9%	-	-	-	(290)	(1,233)	-76.5%	-	234,973	-100.0%	-	(259,207)	-100.0%
Financial result	(120,128)	(53,053)	126.4%	(102,237)	(58,947)	73.4%	(28,233)	(24,048)	17.4%	9,671	(5,987)	-261.5%	671	35,929	-98.1%	-	-	-
<b>Net income (loss) before income tax and social contribution</b>	<b>105,336</b>	<b>341,132</b>	<b>-69.1%</b>	<b>28,596</b>	<b>162,824</b>	<b>-82.4%</b>	<b>85,167</b>	<b>47,031</b>	<b>81.1%</b>	<b>(45,309)</b>	<b>510,316</b>	<b>-108.9%</b>	<b>(46,800)</b>	<b>220,939</b>	<b>-121.2%</b>	<b>83,682</b>	<b>(599,978)</b>	<b>-113.9%</b>
Income tax and social contribution	(943,452)	(111,046)	749.6%	(908,482)	(38,831)	2239.6%	(18,870)	(16,868)	11.9%	7,506	(180,582)	-104.2%	(23,606)	9,373	-351.9%	-	115,862	-100.0%
<b>Net income (loss)</b>	<b>(838,116)</b>	<b>230,086</b>	<b>-464.3%</b>	<b>(879,886)</b>	<b>123,993</b>	<b>-809.6%</b>	<b>66,297</b>	<b>30,163</b>	<b>119.8%</b>	<b>(37,803)</b>	<b>329,734</b>	<b>-111.5%</b>	<b>(70,406)</b>	<b>230,312</b>	<b>-130.6%</b>	<b>83,682</b>	<b>(484,116)</b>	<b>-117.3%</b>
Income tax and social contribution	943,452	111,046	749.6%	908,482	38,831	2239.6%	18,870	16,868	11.9%	(7,506)	180,582	-104.2%	23,606	(9,373)	-351.9%	-	(115,862)	-100.0%
<b>Profit before tax</b>	<b>105,336</b>	<b>341,132</b>	<b>-69.1%</b>	<b>28,596</b>	<b>162,824</b>	<b>-82.4%</b>	<b>85,167</b>	<b>47,031</b>	<b>81.1%</b>	<b>(45,309)</b>	<b>510,316</b>	<b>-108.9%</b>	<b>(46,800)</b>	<b>220,939</b>	<b>-121.2%</b>	<b>83,682</b>	<b>(599,978)</b>	<b>-113.9%</b>
Equity income	(45,027)	(31,824)	41.5%	(45,317)	(57,291)	-20.9%	-	-	-	290	1,233	-76.5%	-	(234,973)	-100.0%	-	259,207	-100.0%
Financial result	120,128	53,053	126.4%	102,237	58,947	73.4%	28,233	24,048	17.4%	(9,671)	5,987	-261.5%	(671)	(35,929)	-98.1%	-	-	-
Depreciation and Amortization	169,643	140,877	20.4%	97,502	95,671	1.9%	59,915	33,778	77.4%	798	442	80.5%	11,428	10,986	4.0%	-	-	-
<b>EBITDA</b>	<b>350,080</b>	<b>503,238</b>	<b>-30.4%</b>	<b>183,018</b>	<b>260,151</b>	<b>-29.6%</b>	<b>173,315</b>	<b>104,857</b>	<b>65.3%</b>	<b>(53,892)</b>	<b>517,978</b>	<b>-110.4%</b>	<b>(36,043)</b>	<b>(38,977)</b>	<b>-7.5%</b>	<b>83,682</b>	<b>(340,771)</b>	<b>-124.6%</b>
Hydrological Risk Exposure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment of fixed and intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Provision)/ Judicial deposits write-off	12,564	(895)	-1503.8%	12,445	(895)	-1490.5%	-	-	-	119	-	-	-	-	-	-	-	-
Dividends received	64,806	15,714	312.4%	64,806	15,714	312.4%	-	-	-	-	-	-	-	-	-	-	-	-
Energy futures contracts	25,745	(188,284)	-113.7%	-	-	-	-	-	-	109,427	(529,055)	-120.7%	-	-	-	(83,682)	340,771	-124.6%
Benefit plan migration effect	-	(20,148)	-100.0%	-	(20,148)	-100.0%	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment of indemnifiable assets by the Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Low non-indemnifiable assets - canal and loc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>EBITDA Ajustado</b>	<b>453,195</b>	<b>309,625</b>	<b>46.4%</b>	<b>260,269</b>	<b>254,822</b>	<b>2.1%</b>	<b>173,315</b>	<b>104,857</b>	<b>65.3%</b>	<b>55,654</b>	<b>(11,077)</b>	<b>-602.4%</b>	<b>(36,043)</b>	<b>(38,977)</b>	<b>-7.5%</b>	-	-	-
Adjusted EBITDA Margin	28%	20%	7 p.p	86%	60%	26 p.p	73%	70%	3 p.p	5%	-1%	6 p.p	-	-	-	0%	-109%	109 p.p

## Appendice 02 – Income Statement and Adjusted EBITDA 9M23 vs. 9M22 - Segmented View

R\$ thousand	Consolidated			Hydroelectric Generation			Wind Power Generation			Comercialization			Holding			Elimination		
	9M23	9M22	Var. %	9M23	9M22	Var. %	9M23	9M22	Var. %	9M23	9M22	Var. %	9M23	9M22	Var. %	9M23	9M22	Var. %
Gross Revenue	5,086,614	4,831,831	5.3%	1,088,952	1,457,617	-25%	671,103	415,165	62%	3,723,192	3,487,241	7%	-	-	-	(396,633)	(528,192)	-25%
<b>Net Revenue</b>	<b>4,478,188</b>	<b>4,269,743</b>	<b>4.9%</b>	<b>935,111</b>	<b>1,269,003</b>	<b>-26%</b>	<b>644,595</b>	<b>398,752</b>	<b>62%</b>	<b>3,267,261</b>	<b>3,083,942</b>	<b>6%</b>	-	-	-	<b>(368,779)</b>	<b>(481,954)</b>	<b>-23%</b>
Purchased energy costs	(2,659,120)	(2,673,708)	-0.5%	(38,268)	(209,198)	-82%	(17,377)	(7,595)	129%	(2,972,254)	(2,938,869)	1%	-	-	-	368,779	481,954	-23%
Charges for Use of the Power Grid	(206,662)	(177,616)	16.4%	(165,787)	(154,158)	8%	(40,875)	(23,458)	74%	-	-	-	-	-	-	-	-	-
Operating costs	(143,815)	(118,548)	21.3%	(33,717)	(42,917)	-21%	(110,098)	(75,596)	46%	-	(35)	-100%	-	-	-	-	-	-
Depreciation and Amortization	(466,226)	(402,433)	15.9%	(290,799)	(304,050)	-4%	(175,427)	(98,383)	78%	-	-	-	-	-	-	-	-	-
<b>Gross profit (loss)</b>	<b>1,002,365</b>	<b>897,438</b>	<b>11.7%</b>	<b>406,540</b>	<b>558,680</b>	<b>-27%</b>	<b>300,818</b>	<b>193,720</b>	<b>55%</b>	<b>295,007</b>	<b>145,038</b>	<b>103%</b>	-	-	-	-	-	-
General and administrative expenses	(276,394)	(261,647)	5.6%	(57,343)	(77,509)	-26%	(11,629)	(2,478)	369%	(96,991)	(84,996)	14%	(110,431)	(96,664)	14%	-	-	-
Depreciation and amortization	(41,410)	(40,898)	1.3%	(1,992)	(3,772)	-47%	(4,702)	(2,735)	72%	(2,131)	(1,472)	45%	(32,585)	(32,919)	-1%	-	-	-
Other operating income (expenses), net	67,675	65,730	3.0%	146,465	(46,686)	-414%	(720)	(1,182)	-39%	(129,942)	457,688	-128%	(1,036)	(3,319)	-69%	52,908	(340,771)	-116%
<b>Operating profit before equity investments and financial results</b>	<b>752,236</b>	<b>660,623</b>	<b>13.9%</b>	<b>493,670</b>	<b>430,713</b>	<b>15%</b>	<b>283,767</b>	<b>187,325</b>	<b>51%</b>	<b>65,943</b>	<b>516,258</b>	<b>-87%</b>	<b>(144,052)</b>	<b>(132,902)</b>	<b>8%</b>	<b>52,908</b>	<b>(340,771)</b>	<b>-116%</b>
Equity income	63,369	86,343	-26.6%	63,519	122,061	-48%	-	-	-	(150)	(2,148)	-93%	-	210,001	-100%	-	(243,571)	-100%
Financial result	(161,766)	(406,954)	-60.2%	(34,169)	(345,766)	-90%	(189,696)	(110,952)	71%	25,608	(23,923)	-207%	36,491	73,687	-50%	-	-	-
<b>Net income (loss) before income tax and social contribution</b>	<b>653,839</b>	<b>340,012</b>	<b>92.3%</b>	<b>523,020</b>	<b>207,008</b>	<b>153%</b>	<b>94,071</b>	<b>76,373</b>	<b>23%</b>	<b>91,401</b>	<b>490,187</b>	<b>-81%</b>	<b>(107,561)</b>	<b>150,786</b>	<b>-171%</b>	<b>52,908</b>	<b>(584,342)</b>	<b>-109%</b>
Income tax and social contribution	(1,079,121)	(117,430)	818.9%	(985,701)	(36,410)	2607%	(50,983)	(39,859)	28%	(43,033)	(176,733)	-76%	596	19,710	-97%	-	115,862	-100%
<b>Net income (loss)</b>	<b>(425,282)</b>	<b>222,582</b>	<b>-291.1%</b>	<b>(462,681)</b>	<b>170,598</b>	<b>-371%</b>	<b>43,088</b>	<b>36,514</b>	<b>18%</b>	<b>48,368</b>	<b>313,454</b>	<b>-85%</b>	<b>(106,965)</b>	<b>170,496</b>	<b>-163%</b>	<b>52,908</b>	<b>(468,480)</b>	<b>-111%</b>
Income tax and social contribution	1,079,121	117,430	818.9%	985,701	36,410	2607%	50,983	39,859	28%	43,033	176,733	-76%	(596)	(19,710)	-97%	-	(115,862)	-100%
<b>Profit before tax</b>	<b>653,839</b>	<b>340,012</b>	<b>92.3%</b>	<b>523,020</b>	<b>207,008</b>	<b>153%</b>	<b>94,071</b>	<b>76,373</b>	<b>23%</b>	<b>91,401</b>	<b>490,187</b>	<b>-81%</b>	<b>(107,561)</b>	<b>150,786</b>	<b>-171%</b>	<b>52,908</b>	<b>(584,342)</b>	<b>-109%</b>
Equity income	(63,369)	(86,343)	-26.6%	(63,519)	(122,061)	-48%	-	-	-	150	2,148	-93%	-	(210,001)	-100%	-	243,571	-100%
Financial result	161,766	406,954	-60.2%	34,169	345,766	-90%	189,696	110,952	71%	(25,608)	23,923	-207%	(36,491)	(73,687)	-50%	-	-	-
Depreciation and Amortization	507,636	443,331	14.5%	292,791	307,822	-5%	180,129	101,118	78%	2,131	1,472	45%	32,585	32,919	-1%	-	-	-
<b>EBITDA</b>	<b>1,259,872</b>	<b>1,103,954</b>	<b>14.1%</b>	<b>786,461</b>	<b>738,535</b>	<b>6%</b>	<b>463,896</b>	<b>288,443</b>	<b>61%</b>	<b>68,074</b>	<b>517,730</b>	<b>-87%</b>	<b>(111,467)</b>	<b>(99,983)</b>	<b>11%</b>	<b>52,908</b>	<b>(340,771)</b>	<b>-116%</b>
Hydrological Risk Exposure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment of fixed and intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Provision)/ Judicial deposits write-off	(143,605)	79,695	-280.2%	(143,724)	79,695	-280%	-	-	-	119	-	-	-	-	-	-	-	-
Dividends received	92,207	107,413	-14.2%	92,207	107,413	-14%	-	-	-	-	-	-	-	-	-	-	-	-
Energy futures contracts	76,972	(169,201)	-145.5%	-	-	-	-	-	-	129,880	(509,972)	-125%	-	-	-	(52,908)	340,771	-116%
Benefit plan migration effect	-	(20,148)	-100.0%	-	(20,148)	-100%	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment of indemnifiable assets by the Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Low non-indemnifiable assets - canal and loc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>EBITDA Ajustado</b>	<b>1,285,446</b>	<b>1,101,713</b>	<b>16.7%</b>	<b>734,944</b>	<b>905,495</b>	<b>-19%</b>	<b>463,896</b>	<b>288,443</b>	<b>61%</b>	<b>198,073</b>	<b>7,758</b>	<b>2453%</b>	<b>(111,467)</b>	<b>(99,983)</b>	<b>11%</b>	-	-	-
Adjusted EBITDA Margin	29%	26%	3 p.p	79%	71%	8 p.p	72%	72%	0 p.p	6%	0%	6 p.p	-	-	-	-	-	-

## Appendice 03 - Gross Debt Characteristics

	Gross Debt (R\$ million)	Index	Spread	Average maturity	Amortization	Due date
<b>Auren</b>	<b>381.3</b>					
1st Debenture	381.3	CDI	1.48%	1.3	<i>Bullet</i>	Dec-24
<b>CESP</b>	<b>2,085.7</b>					
11th Debenture	233.3	CDI	1.64%	1.3	Annual from December 2022	Dec-25
12th Debenture	1,852.3	IPCA	4.30%	5.9	Annual from August 2028	Aug-30
<b>Ventos de Piauí I</b>	<b>721.4</b>					
BNDES	580.9	TJLP	2.16%	5.4	Monthly from July 2018	Jun-34
1st Debenture	140.5	IPCA	5.47%	0.8	<i>Bullet</i>	Jun-24
<b>Ventos de Piauí II e III</b>	<b>1,754.5</b>					
BNDES	1,754.5	IPCA	4.56%	10.8	Monthly from December 2022	Mar-45
<b>Ventos do Araripe III</b>	<b>1,015.8</b>					
Repasse	377.3	TJLP	3.15%	3.4	Monthly from February 2018	Dec-29
BNDES	447.6	TJLP	2.49%	7.6	Monthly from February 2018	Jun-35
1st Debenture	190.9	IPCA	6.99%	6.0	Half-yearly from July 2018	Jul-32
<b>Sol de Jaíba</b>	<b>187.2</b>					
BNB	187.2	IPCA	5.27%	15.3	Monthly from October 2024	Sep-46
<b>Total</b>	<b>6,145.8</b>			<b>6.9</b>		

## Appendice 04 – Net debt and financial leverage

As of 1Q23, the Company adopted the following criteria for calculating Net Debt: Gross Debt deducted from Cash and Cash Equivalents and Financial Investments, incorporating the fair value of derivatives (assets and liabilities) and Leases framed in accordance with CPC-06/IFRS16-Leases. Thus, we restate below the historical indebtedness, for comparability purposes:

R\$ million	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Short-Term	204.4	226.9	236.6	276.6	285.5	952.7	434.8
Long-Term	4,623.9	5,358.7	5,492.2	5,553.6	5,835.2	5,728.7	5,711.0
<b>Gross Debt</b>	<b>4,828.3</b>	<b>5,585.6</b>	<b>5,728.8</b>	<b>5,830.2</b>	<b>6,120.8</b>	<b>6,681.3</b>	<b>6,145.8</b>
Derivative Financial Instruments	(0.0)	(0.1)	0.1	(0.8)	(1.6)	14.1	0.1
Leases	6.8	5.6	80.7	44.3	45.4	46.0	66.8
<b>Total Gross Debt</b>	<b>4,835.0</b>	<b>5,591.1</b>	<b>5,809.5</b>	<b>5,873.7</b>	<b>6,164.5</b>	<b>6,741.4</b>	<b>6,212.8</b>
Cash, Cash Equivalents and Financial Investments	3,173.8	3,347.7	2,981.0	3,231.3	3,402.7	6,285.3	4,904.7
<b>Net Debt</b>	<b>1,661.2</b>	<b>2,243.5</b>	<b>2,828.6</b>	<b>2,642.4</b>	<b>2,761.8</b>	<b>456.1</b>	<b>1,308.1</b>
<b>Leverage (Net Debt/Adjusted EBITDA (12M))</b>	<b>1.5x</b>	<b>1.8x</b>	<b>2.0x</b>	<b>1.6x</b>	<b>1.6x</b>	<b>0.3x</b>	<b>0.7x</b>

## Appendice 05 – Credit Ratings

	Agency	Rating	Outlook	Last Update
<b>Auren – Corporate</b>	Fitch Ratings	BB+   BBB-   AAA(bra)	Stable	Oct/23
<b>CESP – Corporate</b>	Fitch Ratings	AAA(bra)	Stable	Oct/23
<b>CESP – 12th Debenture</b>	Fitch Ratings	AAA(bra)	Stable	Oct/23
<b>CESP – Corporate</b>	Standard & Poor's	BB-   BB-   AAA(bra)	Positive	Jun/23
<b>Ventos do Piauí I</b>	Fitch Ratings	AAA(bra)	Stable	Mar/23

## Appendice 06 - Portfolio of Assets in Operation

Asset <sup>(1)</sup>	Source	Installed Capacity <sup>(2)</sup> (MW)	Physical Guarantee <sup>(2)</sup> (MWavg)	Economic Interest <sup>(3)</sup>
Porto Primavera	Hydro	1,540.0	886.8	100.0%
Barra Grande (BAESA)	Hydro	71.2	36.7	10.3%
Campos Novos (ENERCAN) <sup>(4)</sup>	Hydro	153.9	66.9	17.5%
Campos Novos (ENERCAN) <sup>(5)</sup>	Hydro	141.1	61.2	16.0%
Amador Aguiar I e II	Hydro	40.6	24.5	9.0%
Igarapava	Hydro	35.9	21.8	17.1%
Picada	Hydro	35.7	21.1	71.4%
Machadinho	Hydro	38.4	15.9	3.4%
Ventos do Araripe III	Wind	357.9	151.1	100.0%
Ventos do Piauí I	Wind	205.8	106.3	100.0%
Ventos do Piauí II	Wind	211.5	105.7	100.0%
Ventos do Piauí III	Wind	207.0	100.6	100.0%
<b>Total</b>		<b>3,029.6</b>	<b>1,596.6</b>	

<sup>(1)</sup> Includes assets without which the Company has investments: CBAEnergia, Pollarix and Pinheiro Machado;

<sup>(2)</sup> Installed capacity proportional to the Company's indirect equity interest in the assets;

<sup>(3)</sup> Auren's indirect economic interest in the assets represents percentage of dividends received by Auren from CBA Energia, Pollarix and Pinheiro Machado. Auren's preferred shares receive a differentiated dividend of 68.8% of the dividends paid by CBA Energia, 71.4% of the dividends paid by Pollarix and 60% of the dividends paid by Pinheiro Machado;

<sup>(4)</sup> Holding CBA Energia;

<sup>(5)</sup> Holding Pollarix.

## Appendice 07 - Assets under Construction

Asset	Source	Installed Capacity (MW)	Physical Guarantee (MWavg)	Economic Interest
Sol do Piauí	Hybrid	48.0	12.7	100.0%
Sol de Jaíba	Solar	500.0	154.2	100.0%
<b>Total</b>		<b>548.0</b>	<b>166.9</b>	

## Appendice 08 – Asset pipeline

Asset	Source	Installed Capacity (MW)	Physical Guarantee (MWavg)	Economic Interest
Hélios	Solar	1,210.0	355.3	100.0%
Corumbá	Hidro	81.6	51.5	51.0%
<b>Total</b>		<b>1,291.6</b>	<b>406.8</b>	